

# Management RECORD

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- Organization Planning
- Decentralized College Recruitment
- Who Pays for Negotiating Time
- Social Security Revisions



NATIONAL INDUSTRIAL CONFERENCE BOARD

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# Management Record

October, 1954

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## • In the Record •

### Organization Planning

Organization structure may sound like pretty lifeless stuff. One may think of a lot of little boxes on a chart that don't seem to have much to do with flesh and blood people. But actually this is far from the case. And a company that ignores sound organization planning will find in the long run that people, profits and just about everything else that make a business successful are adversely affected. For organization planning is actually "the development of a structure that will enable people to work effectively together."

The story starting on the next page tells how a company may achieve this desirable goal. The three main areas of organization planning are considered in detail. And trouble spots that should alert a company to the possibility of structural weaknesses are listed.

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### Decentralized College Recruitment

Before the days when competition for the college graduate became really intense, a company might get away with a hit-or-miss recruiting program. But the Otis Elevator Company recognized almost ten years ago that the time had come when a new approach was needed in this important area.

With the active participation of top management, a recruiting program was worked out for this large multi-unit company. Goals were clearly delineated and the means of achieving them defined. The story on page 378 shows how Otis set up its decentralized recruiting program, and why—after eight years—it feels the program has been eminently worthwhile.

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### Who Pays for Negotiating Time?

When employees spend regular working hours as members of the union's negotiating team, who pays them for this time? The answer is that it depends. Almost half the companies in the Board's survey pay regular wages for this time. In a smaller number of companies, the union pays these people for the time spent in union negotiations. And in a very small number of companies, management and labor split the cost.

But this doesn't tell the whole story. The various attitudes of management concerning these practices cover a wide range. Some companies feel it is actually to their advantage to pay. Others liken it to "paying someone to hit us over the head."

In the story starting on page 374, both current practices and management attitudes concerning them are looked into in detail.

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### New Tax and New Social Security Amendments

The year 1954 has seen important revisions in both the Social Security law and the tax law—changes that will affect, in one way or another, the bulk of the people in this country. But the best of laws make notoriously heavy reading, and those mentioned above are no exception. So the writer who can translate the legalities into everyday language and tell what the changes will mean to the individual renders a much needed service. Two such articles appear in this issue of the *Management Record*.

"Recent Social Security Revisions" (page 382) digests the 1954 amendments and points out their significance to employers and employees, as well as those already retired.

"Sickness and Accident Benefit Plans and the 1954 Tax Law" examines the important changes in the income tax treatment of sickness and accident benefits received by employees. This story starts on page 384.

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### More on the CPI

The third in a series of articles on the Board's new consumer price index appears on page 386. In this issue, the index family—whose spending habits provide the framework around which the price index has been built—is described. Even more important is the change in geographic areas where consumer purchases are priced—a change necessitated by the flight of the urban worker and his family to the suburbs. The selection of cities and the way in which they are combined according to relative population weights to give a composite index for all United States cities over 50,000 is also covered.

The new cost of living tables, appearing for the first time, can be found on pages 400 and 401. Other regular features on earnings, hours and wage adjustments appear on pages 391, 398 and 405.



## Organization Planning

**M**ANY COMPANIES are outgrowing their organization structures. This process is often so gradual that executives inside the company do not realize what is going on until heroic steps have to be taken to remedy the situation.

In one case, for example, a young company that had grown tremendously over a decade stopped suddenly on a plateau formed by its own organizational shortcomings. A consultant was called in to examine the company's marketing procedures. He found the organization structure itself inadequate and recommended drastic modifications. The company required almost three years to recover from the trauma of reorganization and regain its stride. Looking back in wisdom, it decided that its future success depended as much upon a continuing program of organization planning as any other single factor.

In several other instances, old-line, mature enterprises that have been losing out because of inadequate or inappropriate organization structures have been able to come back only after objective analysis of their organizational deficiencies. In one case, a metal fabricator came through the war with large cash reserves. As defense orders declined, the company bought up several profitable small enterprises, including a packing plant, a pharmaceutical concern, and a chemical company. Within five years the company found that even a soundly constructed one-horse shay won't stand up when it is harnessed to four teams pulling in different directions. The profits of the newly purchased companies shrank steadily. Now the company is planning to dispose of its "diversified" acquisitions and develop a product line within the scope of its present organization structure.

### SIGNS OF TROUBLE

Many similar examples could be cited. Usually matters reach a critical stage before the company finds out the real trouble. However, executives who can look back upon their time of troubles with organization matters point to a number of signs that may indicate structural weaknesses.

#### Inability to Meet Competition

The danger of being put out of business may be the shock that leads to critical evaluation of the or-

ganization plan. Many companies that have been able to stay in front in a competitive market feel that a major reason for their success is a soundly engineered organization that enables them to seize quickly upon opportunities and to recoup without deep injury in case of reverses.

A case in point is a manufacturer who introduced a new food item. His marketing effort floundered when he tried to extend the sale of his product to states outside his local sales territory. Thanks to a sound basic structure, he was able to decentralize his sales effort while still retaining centralized billing and related services. As a result, he was successful in establishing his product nationally.

#### Overloading of Executives

Executives frequently break down because of mental, physical, or emotional overloading. Often this is due to failure to delegate responsibility properly. One case dates back to 1940. At that time, the plant manager concerned ran a small, single-product plant. He had only the heads of sales, engineering and manufacturing reporting to him. However, as a result of continued expansion, he was eventually supervising fifteen department heads, who were responsible for six product lines. Although he could not give proper attention to any one of his responsibilities, he found it difficult to let his subordinates make decisions. He felt they didn't have good judgment, or didn't know the business, or were too young. The plant manager died of a coronary at the age of fifty-four. His successor decided that he had succumbed not so much to overwork as to poor organization, and made his first item of business a complete overhaul of the organization structure.

#### Delay in Decision Making

In some companies, operations are hampered because of the time required to get action on top-level decisions. This may be due to indecisiveness on the part of a top management. But just as often, the fault lies in lines of authority that are not clear cut, or are too long. Or responsibility for decision making may not be clearly assigned and understood; or the fault may lie in executives' inability to delegate down



the line. Sometimes, the responsible executive has too many people reporting to him and cannot investigate and decide as quickly as he should. In other instances, there are so many levels intervening between plant and top management that the process of communication is impeded. On occasion, there are delays in decision making because the decision is made the responsibility of a committee. In such cases nothing may happen until some authority outside the committee forces a decision.

### Poor Teamwork

Companies which conduct management audits or employee attitude surveys often find evidence of friction, dissension and jealousy that sharply underscore a prevalent lack of teamwork. This may be due to poor supervisory practices or personal inadequacy of supervisors. However, in many instances it is the result of deficiencies in organization. Confusion is to be expected when a man does not know to whom he reports. Friction is a foregone conclusion if a person has two bosses or if two people are given responsibility for the same work. Yet, in a great many companies, these and other principles of organization are violated repeatedly.<sup>1</sup>

### Lack of Executive Reserves

Resignations and death may create unexpected vacancies within the company. Plans for expansion often give rise to a need for top-grade men. Companies that cannot find talent to fill key spots when the need arises frequently discover that the organization structure is at fault.

In some cases, control has been tightly centralized. There is little delegation of authority and responsibility. As a result, supervisors and middle managers have no opportunity to exercise their administrative muscles. When the chips are actually down, they may be found incapable of filling top-executive positions.

There are other related reasons why men do not develop. The company may fail to create positions suitable for training purposes. Consequently, members of the management group do not have an opportunity to rotate to jobs in other departments. They remain specialists. If the boss has too many people reporting to him, he may not have time to carry out his responsibilities in coaching and counseling subordinates. Lack of replacements is often simply a failure to develop people within the company. When this occurs, the organization structure may be partly at fault.<sup>2</sup> Many companies find that careful planning of the organization structure greatly

facilitates the growth of the company as well as the development of employees.

### WHAT IS ORGANIZATION PLANNING?

Even if unfavorable symptoms are recognized, it is not always easy for executives to diagnose organizations' ills or to prescribe remedies. One reason is that organization planning is something of a mystery to many businessmen. Executives who have responsibility for other functions, such as research, engineering and finance, have a well-defined body of experience and knowledge to fall back upon in handling problems in these specialized fields. Because of its relatively recent development, however, there is little that is definitive in either philosophy or practice so far as organization planning is concerned.

Another reason that prompt action may not be taken to correct organization weaknesses is that responsibility for organization planning is not always clearly delineated. In some cases it is included in the general administrative responsibility of one or two key executives. In others, it overlaps and is identified with such functions as methods and procedures, wage and salary administration, management controls and executive development.

An analysis of what companies do in planning their organizations indicates that three distinct activities are involved:

- Logical grouping of activities
- Delineation of authority and responsibility
- Establishment of relationships

When properly integrated, these activities enable the company to develop and maintain a sound organization structure. On the face of it, this may seem to be purely a mechanical procedure, divorced from the consideration of people. However, this is not entirely true. Organization planning is the development of a structure that will enable people to work effectively together. The organization plan is made up with full cognizance of the abilities, the needs and the potentials of human beings. The significant point, however, is that the organization plan is *not* built around *individual* personalities. The organization plan is the basic structure. If it is distorted to fit individual personalities, a major organization change becomes necessary each time such an individual moves in or out of a job. When this happens, most companies find it impossible to keep the whole structure balanced and effective over the long term.

It is also necessary to emphasize that a sound plan of organization, although important in itself, is not enough. As the Radio Corporation of America points out, a good organization plan makes it easier to run a business if for no other reason than that good organization makes for good teamwork. And teamwork, which means people working together for their own

<sup>1</sup> See "What Makes for Successful Executive Development?" *Management Record*, June, 1954, p. 218.

<sup>2</sup> See "Company Organization Charts," *Studies in Personnel Policy*, No. 139, National Industrial Conference Board, 1953.



welfare and the welfare of the enterprise as a whole, is the key to successful operation.

With an understanding of these facts, organization planning may be defined as follows: *Organization planning is the process of logical grouping of activities, delineation of authority and responsibility, and establishment of relationships for the purpose of enabling people to work most effectively together in accomplishing the objectives of the enterprise.*

### LOGICAL GROUPING OF ACTIVITIES

As a first step, organization involves taking the total job to be done and breaking it into separate parcels that can be handled effectively by people. Companies that make a continuing analysis of their organization plan feel that proper grouping of activities ensures most effective operation. Lever Brothers, for example, finds that integration of common activities helps work proceed faster and more economically by making a high degree of specialization possible and through elimination of duplication. Experience has shown that such factors as the following should be considered in grouping activities.

*Activities should be grouped in terms of company objectives.* What the company wants to accomplish largely determines the kind of organization it requires. Does it plan to grow slowly or quickly? Will it manufacture a staple or will its future depend upon the development of new products or upon finding new uses for existing products? Will it manufacture one line or will it diversify? Will success depend upon stability and consistency or upon originality and enterprise?

If the product or service involves a simple operation, activities can be grouped into a predominantly line structure with a minimum of staff support. Perhaps the operation is complex, with rigid standards of quality. Or maybe it is an integrated operation which requires careful coordination among many intermediate steps. In such cases, the need for technical advice and guidance points to an organization in which staff functions are carefully balanced against line requirements.

An example which illustrates the need to shape the organization to changed objectives is that of an eastern manufacturer who decided to stress quality instead of price in marketing his product. He felt the best way to accomplish this new objective was to shift emphasis in his advertising copy. His new campaign featured an unqualified guarantee of the waterproofing and durability of his product, which was made of rubberized cloth. Customer returns and complaints soon showed that his advertising claims were not holding up. To keep his business, he was forced to establish a research department and to regroup his manufacturing operations to permit more effective

inspection and quality control. Later he realized that he would have accomplished his objective more quickly and economically if he had done his organization planning before, rather than after, the fact.

While it is clear that the company objectives determine the organization structure, it is also true that the existing structure may limit company objectives. For example, it may not be possible to modify an organization which has been developed to manufacture chemicals so that it can also successfully produce and sell small appliances. A sales company may be organizationally incapable of succeeding in a manufacturing field.

*Activities should be grouped to accomplish a task, not to accommodate individual personalities.* Some companies make it a practice first to select a man, and then to give him whatever work he can do best. Others point out that such a course inevitably results in jockeying for position, with accompanying friction and jealousy. Time usually shows the fallacy of building an organization around individual personalities. The classical example is the genius who builds an organization around himself and leaves an empty shell when he dies. Almost every company is now and then faced with the impossibility of finding replacements because jobs have been allowed to grow around individuals, and in so doing have become conglomerations of loosely related activities. One plant which had grown in such a manner found itself looking for a replacement for a treasurer who would also serve as legal officer. Another company vainly tried to find a finance manager who had the ability and personality to handle a rapidly growing personnel program. In both cases the companies discovered they could staff all functions without adding additional people only by reorganizing so that like activities were grouped together.

When jobs have already been built around personalities, it is often impractical to accomplish desired regroupings without making special provision for the individual affected. In such instances, good practice calls for the immediate preparation of an "ideal" organization plan that provides for a step-by-step progression to the ultimate. These "phase" plans include provision for handling individuals who stand in the way of immediately implementing the "ideal" plan. For example, one company created special staff positions of "consulting engineer" and "financial analyst" to solve such a personality difficulty. When the individuals involved had retired, the positions were abolished without the basic organization structure being disturbed.

*Activities should be grouped to give the people performing them the greatest satisfaction consistent with efficiency.* This concept is being recognized by more and more companies. It accepts the tenet that spe-



cialization may be carried too far for the best long-term productivity of human beings. If a job consists of similar and repetitious activities, the person performing it may eventually become bored or frustrated and lose effectiveness.

One answer seems to lie in providing a sequence of activities varied enough so the job maintains interest. Some companies make the production job big enough, for instance, to include some responsibility in planning the work and making repairs and adjustments to the equipment, as well as actually operating the machine. Another approach is to try to make each position a complete package of responsibilities; in other words, make the employee responsible for a whole job so far as practicable.

One executive remarked, when discussing this "whole job" idea:

"You can make almost any job mechanical and monotonous, or just the reverse. Take such a thing as dictating reports, for instance. One time I used to dictate all my reports to a stenographer in the office and have my secretary proof them and put them together. The stenographer spent most of her time taking shorthand and hammering on her typewriter. She never saw the results of her work. The turnover on that stenographer job actually embarrassed me. I finally figured one reason was that I was just giving the girl a mechanical routine—and very rarely a whole job. Now I make the stenographer responsible for the preparation of the complete report. She plans the layout, what kind and color of cover to use and how to have the charts and graphs made up. When she brings that neatly bound report in and lays it on my desk, I can see that she is really proud of her work. She makes a creative effort out of it. And what's more, she's been with us six months and doesn't look like she'll want to leave in a hurry."

*Overlap and duplication should be avoided.* Overlap and duplication often occur as a by-product of growth. As the company expands, executives may be reluctant to relinquish activities assigned to them. Thus, in one company personnel administration was separated from finance and made a separate function. However, the finance manager, who had personally initiated the pension and insurance program, felt a proprietary interest in both and found it difficult to give them up. As a result, both the finance and personnel departments maintained similar files and records until an organization survey eliminated the duplication.

Duplication may result from an emergency situation or from other factors which are no longer operative. In one case, a manufacturing company found out about a duplication of effort through a complaint from the placement officer of a nearby university. This company had been formed through the merger of two plants, which had at one time recruited college graduates independently at the university. Now the

college reported that representatives from the two plants, and even from departments within the plants, were independently interviewing and competing for the same graduates. A recruiting team representing the whole company eliminated the duplication.

*Unnecessary activities should be eliminated.* Activities which have outworn their usefulness sometimes survive in the organization. In one case, a metal fabricator built a branch plant in the South. The company wished to establish good relations by buying materials for construction of the plant from local sources, so it established a purchasing department at the plant site. The purchasing agent handled several million dollars in purchases over two years, at which time he moved into the completed plant. At this point most of the purchasing was taken over by the district purchasing office in another city. The plant purchasing department bought little more than mops, brooms and some lumber. However, in spite of this, for almost two years more it retained its identity and a good part of its original personnel. Finally a realignment of activities made purchasing a part-time responsibility of the accounting department.

Another common reason for retention of unnecessary activities is permanent or semipermanent cutbacks in production. Some companies discover that when this happens, there is a tendency for supervisory and staff functions to remain relatively intact, even though the production centers no longer exist. An effective system of organization controls usually eliminates the unnecessary activities.

## DELINEATION OF AUTHORITY AND RESPONSIBILITY

Logical grouping of the activities of the business will not stand by itself. It is equally important that the duties of each position be properly delineated so that every person in the organization knows exactly what his authority and responsibility are and how far he may go without overstepping.

Both authority and responsibility derive from the board of directors, who are accountable, in turn, to the stockholders. The board appoints a president to plan, operate and control the business as a whole. The process whereby the chief executive delegates responsibility is often misunderstood, but can readily be clarified in terms of company practice. As the American Enka Corporation sees it, for example, the president has ultimate responsibility. The board looks to him for proper performance of every task throughout the company. While retaining over-all responsibility for direction, coordination and control, the president may delegate responsibility for performance of individual tasks to other officials. These officials, in turn, delegate a portion of their responsibility to their subordinates.

(Continued on page 402)



# Who Pays for Negotiating Time?

**It may be the company; it may be the union. The pros and cons of management paying for such time are examined here**

**WHO PAYS EMPLOYEES** on the union's committee for the time they spend in negotiating with their employer? Employer attitudes on this question reflect three schools of thought:

- To some employers, paying union committeemen for negotiation time is an anathema. They liken it to "paying someone to hit us over the head." These employers would rather take a strike than agree to such a proposal.

- To other employers, paying for such time is readily agreed to because they feel it makes possible negotiations during regular business hours. This they regard as more convenient than negotiations conducted after the regular workday. It is a convenience for which they are willing to pay.

- To still other employers, pay for negotiating time is a heartily disliked practice which they unwittingly agreed to early in their union relationship. They would like to discontinue it, but are afraid to do so for fear of union retaliation.

How are these attitudes spelled out in practice? A recent survey made by the Board reveals that in close to half (fifty-seven) of the 120 companies queried, the company pays its employees on the union negotiating committee for the time they spend in negotiations during normal working hours. In forty-five companies (37.5%), the union pays company employees who are union committeemen for negotiating time. And in twelve companies (10%) both management and labor split the cost of paying such union committeemen (see chart).

## EMPLOYER SAFEGUARDS

The Board also asked the companies for their experience with regard to payment for negotiating time. The replies indicate that all fifty-seven companies that pay for such time have found it desirable to set up certain safeguards to protect themselves and to prevent abuses. Most of those replying indicate that these employer safeguards are established through tacit, unwritten agreements with union leaders as to what is reasonable. Practically all feel that these tacit agreements are lived up to fully because their violation would mean the end of employer payments for bargaining time.

In only a few cases are the employer safeguards incorporated into the union contract. The bulk of those replying indicate that they would not incorporate a provision covering such payments into their contracts. This, they say, would make such payments a bargainable item at each contract negotiation.

## Limit Payments to Working Hours Only

The most frequent safeguard, applying in all fifty-seven cases, is to limit payment to normal working hours only. Thus the union committeemen cannot gain financially at the expense of the employer no matter how long during a day negotiations last. An advantage of this arrangement, say those replying, is that it tends to prevent marathon bargaining sessions.

In some cases this limitation finds its way into the union contract. A contract of a New England manufacturer with the International Association of Machinists, AFL, prohibits pay claims for time spent on negotiations outside of scheduled hours:

"Employees duly authorized to handle grievances and conduct negotiations shall be afforded the necessary time off without pay deductions, but no claims for pay outside the scheduled hours of this department shall be made."

An employer who negotiates with an independent union points out that limiting payments to the normal workday protects both the employer and the union. "If the company pays union committeemen beyond the normal workday," he says, "the NLRB under the Taft-Hartley Act might charge the company with domination of the union and order the union dissolved."

## Limit Payment to Workers on Payroll

Another safeguard adopted by all fifty-seven companies that pay union committeemen is to limit payments to only those committeemen who are actually on the company's payroll at the time of negotiations. Under this rule, employees who are on leave of absence for union business are not paid by the employer.

## Limit on Number Paid

The other employer safeguards concern themselves with establishing limits on the number of union committeemen paid and the amount of time that will be paid for.



Where the agreement is unwritten, it is often tacitly accepted that the employer shall not be expected to pay for union committeemen in excess of the number paid for during previous negotiations. In other cases, the employer and union during their first prenegotiation meeting verbally agree to a specified number of employer-paid committeemen.

Where the agreement is written, it invariably spells out the specific number of union negotiating committeemen who will be paid by the employer. An example of such a limitation is the following contract provision:

"All conferences pertaining to contract negotiations shall be conducted during regular working hours. The company shall pay a committee, not to exceed five employees from each plant, for time actually lost from work due to such negotiations and shall count hours so lost as time worked in computing the forty hour week."—*Agreement between a midwestern manufacturer and the United Stone and Allied Products Workers of America, CIO.*

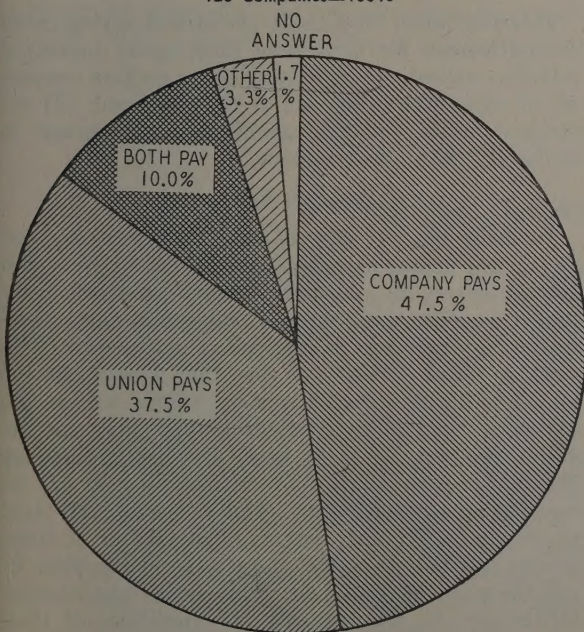
A number of companies report that while they agree to pay wages for a specified number of union committeemen, the union can add to the number provided it pays such extra committeemen.

#### Controls on Time Paid For

Controls on the amount of negotiating time paid for are often set forth in terms of a specific number of hours or days. A West Coast company, for example, has an unwritten arrangement whereby it pays for

#### Who Pays Employees on Union's Negotiating Committee for Time Spent in Negotiations During Working Hours

120 Companies=100%



the first eight hours of straight time for three men and the union pays for all other time and all overtime. A large multiplant western company, through a letter of agreement with the union, has agreed to pay "not more than eight employees serving as members of the negotiating committee for not more than ten days of straight-time base rate including time lost from work due to travel, bargaining and recesses."

Two hundred hours is the limit for paid negotiation time specified in a western company's contract with the CIO United Gas, Coke and Chemical Workers:

"Time lost from work by union committee members while conferring with company representatives for the purpose of settling grievances, and up to two hundred hours while negotiating new contract changes at the plant, shall be paid by the company."

#### Afternoon Meetings Correct Abuses

A number of companies report that an effective control on the amount of time paid for by the company is to schedule meetings for the afternoon instead of the morning. "We previously scheduled bargaining sessions for 9:30 A.M.," writes one executive, "and it was obvious to us that committeemen deliberately prolonged discussions to avoid going back to their machines. To correct this situation we now schedule negotiations to start at 2:30 P.M., and we find the union committeemen speeding up discussions to avoid negotiating on their own time."

#### THE REASONS WHY

While the executives of a number of companies cite definite reasons for paying union committeemen, most executives candidly admitted in personal interviews that they knew of no reason advantageous to their companies for this practice. They said that the practice, like Topsy, just grew. In some cases they ascribed their predicament to the fact that they had no clear labor relations policy at the time of their first contract negotiations with the union. One industrial relations executive, for example, gives this story of how it happened: "Long ago, on the first pay day following our initial union negotiations, we paid the union committeemen without ever considering within the company whether or not it was a sound labor relations policy. With that first payment we had established precedent. The die was cast and we have had to continue these foolish, needless, and expensive payments ever since."

The fact that the company has always paid for grievance time is also cited as another reason for the unwitting payment of negotiating time. "The same individuals served on both the union's grievance committee and on the negotiating committee," explains an executive, "and we were used to paying for grievance time. When negotiating time came around we continued paying for union-management meeting



**Table 1: Who Pays Employees on Union Committee for Time Spent in Collective Bargaining Negotiations During Working Hours**

Practice	Total Companies		Number of Companies by Number of Employees			
	Number	Per Cent	1 to 249	250 to 999	1,000 to 4,999	5,000 and over
Company pays	57	47.5	1	9	26	21
Union pays	45	37.5	0	5	19	21
Both pay	12	10.0	1	5	3	3
Other	4 <sup>a</sup>	3.3	0	2	0	2
No answer	2	1.7	0	0	1	1
Total	120	100.0	2	21	49	48

<sup>a</sup> One company says it does not pay and does not know if union pays; one company says that since negotiations are held after hours, committeemen are not paid.

**Table 2: Comparison of Who Pays Union Negotiating Committeemen with Place Where Negotiations Are Held**

Place of Negotiations	Who Pays Union Committeemen				
	Total Companies	Company	Union	Both	No Other Answer
On company premises	77	39	27	9	2 <sup>a</sup>
Away from company premises	25	8	12	2	1 <sup>b</sup>
Both on and away from company premises	18	10	6	1	1
Total	120	57	45	12	4

<sup>a</sup> One company does not pay and does not know if union pays.

<sup>b</sup> One company says that since negotiations are held after hours, committeemen are not paid.

time. We never even stopped to consider that, while the individuals were the same, their roles had changed—they were no longer working jointly with us to solve mutual problems under the grievance procedure—they were out to get every cent they could from us and strike us if we didn't accede to their demands."

### Advantages to Company

A reason cited for paying employees on the union committee for negotiation time is that it makes it easier to hold meetings during regular working hours. This was succinctly explained by an executive of a midwestern firm that deals with a CIO union:

"We find it advantageous from the standpoint of the health of our company executives to pay for negotiating time. Here's why. Suppose we did not pay our workers for negotiating time and wanted to schedule negotiations during the regular workday. Then our local union would have to reimburse them for the time they lost from their regular day's work. Since they don't have a big enough treasury to do this, they would have every right to insist on negotiations after hours when they wouldn't have to reimburse worker-committeemen for lost time. These night sessions would have wrecked the health of some of our executives and might have even brought on premature deaths. We figure that by paying for negotiating time we bought regular working hour bargaining sessions."

Some executives feel they gain a psychological advantage by paying union committeemen. "The union,"

one executive explains, "is always threatening. Ordinarily we don't have any counterthreat. When we pay union committeemen for bargaining time, we feel we have the counterthreat of ending our tacit agreement if they get unreasonable and draw out bargaining." And another executive says: "We feel that he who pays the piper calls the tune." He then adds, "If that's so, up to now we've certainly called a pretty sour tune."

### Disadvantages of Employer Payments

While some employers find advantages in paying for bargaining time, many more find serious disadvantages in the practice. Some employers, and for that matter some union leaders, feel that it is wrong in principle. They say that the union is not expected to bear the employer's negotiation expenses so why should the employer bear the union's? Others claim with some heat that in paying for negotiating time the employer is in actuality financing his own downfall.

Heated wrangles with the union over committeemen abuses that run up the cost of employer-paid bargaining time is another disadvantage cited. An executive of a multiplant company in which the employer pays for bargaining time in some plants, and in which the union pays in other plants, has this to say: "Where we pay, we argue with the committeemen; where they pay, they argue. If we had it to do all over again we would make certain that the union paid in every case. This would keep all such arguments in the union family."

### Hard to Stop

However much they dislike the idea of paying union committeemen for bargaining time, many industrial relations executives express an even greater concern as to what would happen if they stopped. "If we stopped paying they'd manufacture an excuse to strike us," said one executive.

### UNION PAYS

In forty-five (37.5%) of the 120 companies surveyed, the union pays for the time spent by union committeemen in collective bargaining. Some companies say that this goal was achieved in early negotiation by scheduling bargaining sessions for after working hours. Others say that they fought out the issue of who pays the union's committee early in the collective bargaining relationship and that the decision was that the union would pay. Still others say that it has always been the union's policy to pay its negotiating committeemen. This is particularly true of old-line AFL craft unions. The leaders of these unions say that they feel the union compromises itself the moment it asks the employer to pay its committeemen. In keeping with the traditions of their



union, they make it clear from the outset of negotiations that they will pay everybody on the union side of the fence.

### BOTH SIDES PAY

Perhaps the most interesting arrangements occur in the companies in which management and the union agree to split the cost of paying for negotiating time (see Table 1). The simplest and the most frequent of such arrangements is that management will pay for half of the time spent in negotiation meetings and the union will pay for the other half. Such agreements are generally made with the proviso that the union will not increase the size of its committee during negotiations.

Other split-the-cost arrangements are:

- Company pays for the first eight hours of straight time for three men; union pays for all other time and all overtime.
- Company pays day-rate wages; union makes up the difference between the committeeman's day-work rate and his piece-rate average.
- Union pays for the union bargaining committeemen's time, while the company pays for the shop steward's time, with a limit of one steward per union in a multiunion bargaining unit.
- Company pays if it calls the meeting during working hours; union pays if it calls the meeting, whether during or after working hours.
- Company pays five committeemen for a period of time not to exceed twenty hours; union pays for all over five persons and for all time over twenty hours.
- Company pays for one representative from each local union; union is permitted to have one extra

representative for each local, for which the union pays.

A few of the firms with these split-the-cost arrangements say that their particular arrangement is the result of bargaining. "The union wanted the company to pay for all bargaining time, and the company wanted the union to pay for such time, so we bargained and split the difference," sums up the experience of one cooperator.

### WHO PAYS Vs. WHERE HELD

A direct correlation is indicated between where negotiations are held and who pays for negotiating time. In one-half (thirty-nine) of the seventy-seven cases in which negotiations are held exclusively on the employers' premises, the employer pays for bargaining time. In one-third (twenty-seven) of these seventy-seven cases, the union pays for negotiating time, while both sides split the cost in nine cases (Table 2).

Exactly the opposite picture is shown for the twenty-five cases in which all negotiations are held away from company premises. In one-half (twelve) of these cases the union pays, while the company pays in one-third (eight) of the cases. In two cases the company and the union split the cost of negotiating time.

In the eighteen cases in which some negotiations are held on and some away from company premises, the pattern seems to be about the same as that existing where all negotiations are held on company property. In slightly over one-half of the cases, the company pays; in one-third (six) of the cases, the union pays; and in one case the company and union split the cost.

JAMES J. BAMBRICK, Jr.

*Division of Personnel Administration*

## Employees Become Company Customers

Good housekeeping operations at Carrier Corporation have become profitable ventures for employees as well as for the Company. Salvage is an important part of good housekeeping because the salvaged material may be sold. Among the customers are the employees themselves who can purchase lumber, insulation and other materials at nominal prices.

The purchase system works this way. If an employee sees material marked with a scrap tag and wants to buy it himself, he applies at the scrap dock to have the purchase billed to himself. He then takes the bill to a cashier's cage within the plant, pays for the material, and brings the receipt back to the scrap dock. A gate pass is issued so that he may take the material home with him or make arrangement for delivery.

To aid in the housekeeping and salvage operations, containers of various sizes and styles to accommodate different types of scrap are placed throughout the plant. Thus scrap items are automatically sorted when placed in the proper disposal bins. In 1953, more than 26 million pounds of scrap metal were sold to Carrier employees and outsiders.



# Decentralized College Recruitment

**When a company has many units going after college graduates, it faces problems of coordination and control. Here is how one organization solved them**

**T**HE Otis Elevator Company first began recruiting college graduates for its student training program in 1911. During the years following World War II, it became increasingly difficult to secure as many qualified men as were needed. By 1946, competition for college candidates had become intense and Otis found that its recruitment program was not doing the necessary job.

The thinking of the company's management concerning their difficulties at that time can be summarized as follows:

"We went to the colleges on a hit or miss basis when the spirit moved us. We discovered that what is everybody's business is nobody's business. We were bunching up on certain campuses and missing other good schools altogether. Our people were competing among themselves. They were telling different stories, offering different starting rates, and so on."

The new program, introduced in 1946, has enjoyed the active interest and support of operating management from the beginning and much of its success is attributed to management's participation. This is summed up in the following statement:

"Today, the mere fact that we have important people at headquarters, in the plants, and in the zones interested in college recruitment makes all the difference in the world. Our effort to bring capable young men into the program, whether they are college trained or come from within the company, is understood and accepted by all. Our goals are planned in advance and we are organized to reach them. We let the boys know what we expect of them and we keep close tabs on their work. They have every incentive to make good—and a large majority of them do."

Otis' executive offices are in New York City and its field offices are located in the major cities of ten geographical areas, designated as zones. These are: Atlanta, Boston, Buffalo, Chicago, Cleveland, Dallas, New York, Philadelphia, St. Louis and San Francisco. There are manufacturing plants in Yonkers, New York; Brooklyn, New York; Harrison, New Jersey and San Francisco, California. The international division of the company operates in fifty-six countries with 168 sales offices outside the United States. Plants are located in Canada, Mexico, South Africa, England,

France, Belgium, Italy, Argentina, Brazil, Germany, Uruguay, Australia and Japan.

## TWO BASIC PROGRAMS

Two basic programs, coordinated by the executive offices, are used to select job candidates from colleges and universities as well as from within the company. The programs are essentially the same except that one is designed to obtain the necessary candidates for selling, installing and servicing the company products in the field while the other serves the producing, financing, engineering and industrial relations interests of the company at headquarters and in the four plants. Both programs serve the needs of the international division.

The program covering selling, installing and servicing operates by geographical area or zone. This allows for the necessary variations to fit the particular problems and conditions found in different locations. A headquarters committee of six members is the coordinating body. This committee consists of the general zone manager and vice-president of the company, the general sales engineer, the general construction manager, the director of industrial relations and the training director. Recruiting is done by management in each geographical area, and colleges within a reasonable range in the area are visited. After careful screening at the colleges, the zone managements make tentative selections and refer the candidates to the headquarters committee where a final screening for assignment is made.

In the other program, designed to accommodate the production, finance, engineering and industrial relations divisions, management representatives from the divisions recruit from colleges covering most of the eastern half of the country. For example, the production division interviews candidates at approximately thirty colleges.

Although each zone recruits within its own geographical area for the most part, some colleges or universities may be visited by representatives from the production, engineering, or financial divisions of the company as well.

It sometimes happens that the recruiters from one zone or division will uncover more good men than can be absorbed. When this occurs, the records of the



extra candidates are made available to the zones or divisions that have not yet filled their quotas.

### CONSIDER THE MAN FIRST

Since the elevator business in all its phases of producing, selling, constructing and servicing is essentially an engineering operation, college graduates who are trained in engineering are desired. But graduates with other than engineering degrees are also engaged. "We consider the man as an individual first of all," a company representative explained. "If the 'right' man has training in engineering, that's fine, but the 'right' man without this training could also be perfectly acceptable. If he is acceptable as a candidate but doesn't have engineering training, he is tested to see how much mechanical aptitude he has. If his mechanical interest and aptitude are both high, he can be considered for certain jobs in production, sales

or elsewhere, where his education will be a definite asset."

College recruitment, once a springtime activity of Otis, is now carried on all year. Quotas are established on the basis of estimated future manpower needs. Salary classifications for trainees at varying college degree levels are reviewed, and a program is set up early in the fall for succeeding years. Schedules are drawn up and appointments made at the various colleges and universities.

Recruiters sometimes go out alone, sometimes in pairs. As an aid to the recruiter, a twenty-page illustrated booklet was especially designed to give the college man an idea of what it is like to work at Otis. The recruiter is also provided with a manual which states in the foreword:

"The pattern outlined here is a suggested pattern. It is assumed that each individual will adopt a method to

### "Making Recruitment Contacts"

*One of the six sections in the manual prepared by the Otis Elevator Company for use by college recruiters.<sup>1</sup>*

There is an important public relations value for our business in the process of making top-level executives well known at the different colleges. Whether the contact results in obtaining employees or not it is desirable to get to be known by those men who can influence the interests of suitable candidates in the future. For this reason, and also because of the limited current market, it is important that as many colleges as possible be explored. This should be done by personal recruiting, but if that is not convenient all colleges should be solicited by mail.

Although the following pattern has been our general practice it will be summarized here on a step-by-step basis:

I. Approximately six months before the June or February commencement, a letter should be sent to the placement director of the college advising him of your interest in candidates for employment. The letter should suggest that, if it can be arranged, you would like to meet with a group of interested candidates to explain the positions for which you are interviewing and also to discuss the company and the opportunities for engineering graduates at Otis.

This is the appropriate time to send: (a) Several copies of the job specification describing the job and the qualifications required. (b) A suitable supply of the booklet "A Career with the Otis Elevator Company."

<sup>1</sup> Other sections of the manual are: providing information about the job and the company; obtaining information about the candidate; evaluating the candidate; sample of a job opening announcement.

Your letter should also indicate a suggested time when you will be able to visit the college for interview purposes.

II. Prior to the time you are scheduled to visit the college, check the following items: (a) How many candidates have indicated interest? (b) Have arrangements been made to meet the group of candidates prior to the individual interviews? (c) Has a schedule been worked out for individual interviews? (d) Can arrangements be made to have lunch with the faculty members who are acquainted with interested candidates?

III. Upon arrival at the school, meet with placement officers to check detailed plans for the day.

IV. Conduct interviews. Provide full information about the company and obtain the necessary information about the candidates. Since you will see a number of candidates, it is desirable not to make an offer during the interview, but advise the candidate if you are or are not interested further. If additional interviews are planned, the candidate should be advised as to the date and place.

V. Prepare "Applicant Appraisal Form" reports on acceptable candidates who have indicated an interest in the company.

VI. Before leaving the college, check with the placement officer in order to: (a) Obtain any additional information about candidates which may corroborate the data obtained in the interview, such as class grades, activities, personality traits. (b) Advise the placement officer about the men in whom you are interested.

VII. Do not delay too long in making an offer of employment and requesting acceptance, so that other candidates can be considered if the quota has not been filled.



suit his own personality and his own type of approach for effective interviewing.”

It has been the company’s experience that it is necessary to make about twenty-five on-campus interviews to find five men who are likely prospects. About three of these probably will accept Otis’ offer. The final job offer is made after the headquarters committee has had a chance to review the candidate’s qualifications. Special attention is given to the school record, the application blank, the recruiter’s interview report, and the test scores. (Tests ordinarily used include the Otis Intelligence Test,<sup>1</sup> the Kuder Preference Record, and the Minnesota Paper Form Board Test.)

ADVANCEMENT OF THE COLLEGE RECRUIT

The opportunities open to college recruits at Otis are good, but they do not come without effort. The

<sup>1</sup> The Otis test was not developed by the Otis Elevator Company, nor is it marketed by the company.

college graduate must stand on his own feet and prove himself. He will not be advanced unless he does. The way is also kept open for the ambitious young man who lacks a college education. Last year, as it happened, all of those selected by the production division for training were from the ranks. It is the intention of the company to continue to select from the ranks as well as from the colleges.

The Otis student training program is neither as large nor as elaborate as those operated by many other companies of equal size. Since 1946, approximately 307 recruits have been enrolled. As indicative of the success and vitality of the program, it should be noted that nearly 80% of these recruits are still on the job. A number of them already occupy responsible positions in the Otis organization. The company reports that it has been able to attract the kind of young men that it wants to fill vacancies as they occur.

STEPHEN HABBE  
*Division of Personnel Administration*

Employment Stability of the College Recruit

How long is the young college graduate likely to remain on his first job? Is the technically trained graduate more inclined to stay put than the liberal arts graduate? At what period during his employment is the college recruit most restless? What reasons do those leaving give for making a change?

Early this year the industrial relations department of the United States Rubber Company sent a questionnaire to its plants, laboratory, general office, distributing branches, and field sales organization for the purpose of finding answers to questions such as these. The results are now in and the figures have been analyzed. They show the over-all picture as well as the experience of the various units of the organization. While admitting that there is room for improvement, the company feels that its college recruitment and training program is yielding good results.

A full five-year period, January 1, 1948, through December 31, 1952, was studied. During this time the company recruited and hired 2,980 young men from the colleges. Of these, 63% are still on the payroll. Sixty-one of every 100 recruits lost were lost during the first year of employment. Commenting on this finding, the researchers said:

employee, but also by all members of management who will have any part in his development.”

The other side of this picture is equally interesting. If a young man stays as long as three years with the company, he is likely to continue. Only 4% of the terminators at U. S. Rubber had been employed three years or more.

The separation rate among those with technical training was found to be somewhat lower—32%—than among the nontechnically trained, where it was 40%. Four recruits in ten hold technical degrees; one in twelve has an M.A.; one in sixty has a Ph.D.

Seventy-four per cent of the separations were on a voluntary basis; 18% were involuntary; the remainder were for military service or for unknown reasons. It is expected that many of those leaving the company for a period of military service will return.

While recognizing that it often is not possible to discover the employee’s true motivations, nevertheless the reasons given for the voluntary terminations are of interest. And it is perhaps significant that “more money” stands at the bottom of the list.

Reasons for Voluntary Terminations

	Per Cent
Resigned to accept another position .....	68
Dissatisfied .....	9
Resigned to move to another city .....	8
Personal reasons .....	6
Resigned to continue education .....	6
Resigned to accept another position paying more money..	3
	100%



## Broadening Young Executives

NOWADAYS, everybody knows that a successful executive must be a "generalist." But this puts most companies in a quandary, because, as a matter of efficiency, they find it necessary to place young men in jobs where they become specialists. And the further up the ladder these embryo executives go, the more specialized they become.

How can this dilemma be resolved? One way is through job rotation, which gives the specialist an opportunity to broaden his background by performing jobs in other departments and divisions of the company. But while rotation is eminently practical for the young man just starting on his career, it has many disadvantages for the man in his thirties who has acquired a family and has become a key specialist in his own field.

The Denver and Rio Grande Western Railroad has organized an "under forty club" which has been helpful in developing men in this critical age group. Officially known as the Management Advisory Group, the club makes it possible for outstanding young men under forty to secure an over-all knowledge of the company's operations. It also provides a clearing house for ideas and opinions and enables men who may become candidates for executive posts to get their feet wet in actual management problems.

When the Denver and Rio Grande started the program a year ago, it selected eighteen men as a pilot group. To insure good cross-fertilization of ideas, the group had at least one man from each department of the railroad. Both line and staff supervisors were included.

This group worked out the organization and procedures which would govern its operations and developed its own bylaws. They decided that twenty members would be the maximum. To provide for rotation, each participant would serve from three to five years or until he reached his forty-first birthday.

Meetings are held once each month. The topics discussed at these meetings are suggested, investigated and acted upon by the group itself. If the group feels that a recommendation or report covering a subject it has discussed should be passed on to management, it delegates one of its members to do the job. At the next regular meeting, this individual reports back the decision of management.

Problems which have come before the group have varied from the reorganization of departments to review of traffic reports. The group has assisted in revising insurance schedules and studied the advisa-

bility of consolidating centralized traffic control boards.

Typical of the problems which the group has handled is the case of the traveling auditors. It is the business of these auditors to travel from the general offices in Denver to many of the small and isolated stations of the system for the purpose of checking books and records. Because the working habits of the auditors and the railroad schedules didn't always coincide, there would frequently be quite a bit of heel-kicking in station waiting rooms. For instance, the accountant who was auditing the station at Avon, Colorado might drop in on the 5:33 A.M. train. By 9:00 A.M. he might have his job completed. But unfortunately, the next train wasn't due for ten hours. Multiply this by the total number of trips and auditors and the aggregate loss of time is impressive.

This problem was brought before the Management Advisory Group by one of its members. Discussion quickly brought forth a logical answer: furnish company-owned automobiles to the traveling auditors, so they can make their rounds without having to conform to fixed schedules. In many companies, a group recommendation such as this is forwarded to the front office in a lengthy memorandum, where it awaits the pleasure of further committees and further deliberations. But the Management Advisory Group at the Denver and Rio Grande Western Railroad is able to go right to the heart of the matter. In this case, they delegated a subcommittee to visit the comptroller, who would make the final decision. The comptroller saw the merit of the proposal and provided the necessary authorizations. The new plan went into effect at once. It has already resulted in a significant decrease in the expense of making station audits.

The advisory group is not always able to come up with an answer. Sometimes it doesn't have enough information to make a proper analysis of the problem it is considering. In these cases, the intellectual resources of the company are at its disposal. Department heads and staff experts may be asked to appear before the group to give information and to enrich the deliberations from their own experience. Whether a definitive answer finally comes up or not, the proceedings are always of benefit to the individual members of the group and to the company as a whole. The young men are learning what it takes to become generalists and executives; the company is developing a pool of potential managers that will help insure its continuity and profitability over the long term.



# Recent Social Security Revisions

The 1954 amendments generally result in larger benefits for more persons—and a higher tax base in 1955 to finance them

THE 1954 Social Security amendments enacted by the 83rd Congress in August, go considerably beyond extension of coverage and a more generous benefit formula. Other provisions which liberalize the program include a newly added "dropout," a disability freeze, a higher taxable earnings base, and an easier retirement test. The result is generally larger old-age and survivors insurance benefits for more persons, both today and in the future.

But benefit liberalizations necessarily mean higher costs. And higher costs mean that additional income must be provided. This is accomplished in two ways by the new law:

1. The taxable earnings base is raised from \$3,600 to \$4,200 as of the beginning of next year. This means a tax increase in 1955 of \$12 for the worker whose annual earnings are \$4,200 or more; the same increase must also be paid by his employer. The self-employed person who earns \$4,200 or more a year pays an \$18 increase.

2. The long-range schedule of old-age and survivors insurance contributions is adjusted upwards starting with the year 1970.

## Ten Million More Jobs Covered

Most of the 10 million persons to be brought into the system next year are self-employed farm operators and state and local government employees. Other groups include ministers and members of religious orders, self-employed architects, engineers, accountants and funeral directors. Additional farm and domestic workers are also newly covered.

The major groups that are still excluded from the program are such self-employed professional persons as doctors, dentists and lawyers, members of the Armed Forces, most federal civilian employees, and policemen and firemen covered by a state or local government retirement system.

## Increases for Present Beneficiaries

The checks mailed out during the first week in October to the 3.5 million retired workers already on the benefit rolls were increased over amounts mailed the month before. This increase was computed by means of a conversion table, which is summarized here:

<i>Previous Primary Insurance Amount</i>	<i>New Primary Insurance Amount</i>
\$25.00	\$30.00
30.00	35.00
40.00	45.00
50.00	55.00
60.00	65.10
70.00	78.50
80.00	91.90
85.00	98.50

Dependents' and survivors' monthly benefits, which are currently going to about 3 million persons, have been increased automatically, since they are computed as percentages of the primary insurance amount. A wife aged sixty-five or over, for example, continues to get one-half of her retired husband's benefit. Thus an aged couple who formerly received maximum combined benefits of \$127.50 now receive \$147.75.

## Increase for Future Beneficiaries

The primary insurance amount—that is, the benefit going to the retired worker himself—is now computed as 55% of the first \$110 of the average monthly wage, plus 20% of the next \$240. This revised formula applies only to average earnings computed over the period since 1950, and to workers eligible for the dropout, which is explained below. Where the benefit would be larger under the original formula using the conversion table, the computation will be made in that manner.

When applied to an average monthly wage of \$300, the new formula yields a monthly benefit of \$98.50—the same amount as may be derived from the conversion table. This is also the maximum payment that can be received by persons retiring on the basis of wages earned through December, 1954, since the covered earnings base is \$3,600 a year through that period.<sup>1</sup> Commencing in January, 1955, however, total annual earnings on which both contributions and benefits are based will be \$4,200 a year (\$350 a month). So for persons retiring after the first quarter of 1955, the maximum may rise above \$98.50, and come to as much as \$108.50 from July, 1956, on.

<sup>1</sup> For the period 1951-1954, the maximum amount of covered earnings considered for both tax and benefit purposes is \$3,600 a year. For 1937-1950, it was \$3,000 a year.



## The Dropout Provisions

When the Social Security Act was amended in 1950, a "new start" was provided to allow additional persons to qualify for benefits. Retired persons then on the rolls had their benefits raised by means of a conversion table, while future beneficiaries were allowed the choice of calculating benefits on either the period elapsing after December, 1936, or after December, 1950.

Rather than provide another "new start," the 1954 amendments contain a "dropout," which allows an individual to ignore up to five years in which his covered wages were lowest (or nonexistent) in the computation of his average monthly wage, to which the benefit formula applies.

Prior to the 1954 amendments, the average monthly wage was computed by adding together all taxable wages earned in jobs covered by Social Security either between January 1, 1937, and retirement, or January 1, 1951, and retirement. This sum was then divided by all of the months within that period. With this arrangement, persons first brought under coverage on January 1, 1955, would be under a severe handicap—as their benefits would be computed from the 1950 "new start" base line. This would mean that for the years 1951-1954, zero wages would be added to the numerator while forty-eight months would be added to the denominator in the computation of the average monthly wage. Under the new dropout provision, these forty-eight months may be ignored for persons who first become eligible for benefits after August, 1954, or who have at least six quarters of coverage after June, 1953. An additional twelve months may be ignored for persons who also have a total of twenty quarters of coverage acquired at any time.

## The Disability Freeze Provision

Another provision in the new law affecting the average monthly wage computation is one which removes periods of extended total disability. This is accomplished by a device similar to the "waiver of premium" in private insurance. The provision freezes old-age and survivors' insurance status for periods of six months or more during which a person is unable to work because of physical or mental impairment that can be expected to result in death or be of long-continued and indefinite duration. To qualify for the freeze, he must have at least twenty quarters of coverage out of the last forty, as well as six out of the last thirteen before the disability began. He must also file an application for a "determination of disability." These determinations will generally be handled by the state agencies administering the Vocational Rehabilitation Act.

January 1, 1955, is the earliest date a disability freeze application can be accepted. However, the ad-

vantages of the freeze provision may also accrue to disabled persons already on the benefit rolls. Until July, 1957, the determination application can establish a period of disability beginning on the earliest date the individual was disabled if he met the covered work requirements. If the application is approved, the benefit amount will be recomputed on a basis which excludes the period of disablement.

## An Easier Retirement Test

The 1954 amendments reduce from seventy-five to seventy-two the age at which a person may receive old-age insurance benefits no matter how much other income he earns. And they allow a person between sixty-five and seventy-two to supplement his benefits with income up to \$1,200 from either wages or self-employment, or the two combined. The former income limit was \$900, but for wage earners it was considered on a monthly basis; any wages from "covered" employment in excess of \$75 a month meant that benefits were withheld for that month.

Not only does the new law increase the annual exempt amount, but it also eliminates the "all or none" monthly test. One month's benefit will be withheld for each \$80 in excess of \$1,200 received as compensation in a year by the individual. For example, if he earns \$125 a month throughout the year, he will lose only four months' benefits, in contrast to losing all twelve under the previous law. Or, if he is able to get seasonal work during the three summer months at pay of \$200 a month, he will not lose any benefits, whereas under the previous law he would have lost benefits for those three months.

The new law also provides that earnings from any type of employment or self-employment, whether or not it is covered by the system, will be taken into account in determining the exempt earnings.

MIRIAM CIVIC

*Division of Business Economics*

## Better Understanding Between School and Industry

Those who play a part in forming public opinion need to know more about industry from first-hand experience.

Bakelite Company, a division of Union Carbide and Carbon Corporation, cooperates to this end in an industry-teachers program conducted by Rutgers University.

The program is aimed at bringing about a better understanding of the role that industry plays in our American way of life. The two-month-long program has briefed the teachers on a wide range of Bakelite activities and the teachers have had an actual hand in some of the operations that make the plant tick.



# Sickness and Accident Benefit Plans and the 1954 Tax Law

**T**HE 1954 TAX LAW revising the Internal Revenue Code makes some important changes in the income tax treatment of sickness and accident benefits received by employees. Most important, the new tax bill provides that sickness and accident benefits receive the same tax treatment whether underwritten through an insurance carrier or paid directly by the employer. As the House Ways and Means Committee explained:

"Under present [old] law, amounts received as accident or health benefits are exempt only if the benefits are paid under a contract of insurance. This results in substantially different tax treatment to recipients of sickness and accident benefits who are similarly situated except for the technical nature of the plan under which the benefits are made available. Moreover, very troublesome legal and administrative problems have arisen in determining whether particular plans, especially self-insured plans which are financed by employers without the use of a carrier or insurance company, constitute insurance for purposes of the exemption. Your committee's bill grants equal tax treatment to sickness and accident benefits financed by employers whether paid under insured or noninsured plans."<sup>1</sup>

Especially important are the problems which may arise under section 105(d) of the Internal Revenue Code of 1954. Here the conditions are outlined which exempt the employee from taxation while receiving benefits from a "wage continuation plan."<sup>2</sup> Under this section an employee is allowed to deduct from taxable income any wages up to \$100 per week—for time lost because of sickness or personal injury. If the employee is ill, there is a waiting period of one week before he can claim the tax deduction; however, this waiting period is not required if the employee is hospitalized at least one day during the period of illness. Nor is the waiting period required if the employee loses time because of an accident.

Until the publication of the relevant Internal Revenue Service regulations there are a number of questions about the application of the act which must remain unanswered. By far the most important question is whether "informal" sick leave plans will be

considered "accident and health plans" as far as the act is concerned. For example, many companies have an unwritten but long-standing policy of continuing the wages of ill employees, especially salaried employees, for a definite period. Other companies have no set policy as to how long wages will be continued, but make this decision on the basis of each individual case. Some companies also decide on an individual basis which employees shall have their salaries continued in case of sickness. The question then arises whether employees can deduct pay received for sickness or accident under any of these informal company plans.

Another important aspect of "wage continuation plans" is the nature and amount of record keeping necessary for the employer who makes sick-leave payments directly to the employee rather than providing these benefits through group insurance. Although no final regulation has been issued, the Internal Revenue Service has proposed the following procedures:

1. Withholding is not to be required on wages which are excludable from the employee's gross income under Section 105(d).

2. Employers must maintain records that show the amount of sick pay, and distinguish such amounts from all other payments.

3. Employers must keep records to show that the employee is entitled to the deduction, either by means of a written statement from the employee, or by any other information which the employer believes to be accurate and which he is willing to accept for purposes of payments under the wage continuation plan.

4. If all sick pay of an employee is exempt, the employer will not have to show these wages on the W-2 form. However, if any part of sick pay is not exempt, the employer has to include all sick-leave pay in total wages on the W-2 form, and also indicate the amount of sick pay on which no income taxes were withheld.

The complete text of the 1954 tax law concerned with sickness and accident benefits is reproduced on the facing page.

<sup>1</sup> Report of Committee on Ways and Means, House of Representatives, to accompany H.R. 8300, March 9, 1954, p. 15.

<sup>2</sup> See next page for the text of these provisions.



## "SEC. 104 COMPENSATION FOR INJURIES OR SICKNESS.

"(a) **IN GENERAL.** Except in the case of amounts attributable to (and not in excess of) deductions allowed under section 213 (relating to medical, etc., expenses) for any prior taxable year, gross income does not include—

"(1) amounts received under workmen's compensation acts as compensation for personal injuries or sickness;

"(2) the amount of any damages received (whether by suit or agreement) on account of personal injuries or sickness;

"(3) amounts received through accident or health insurance for personal injuries or sickness (other than amounts received by an employee, to the extent such amounts (A) are attributable to contributions by the employer which were not includable in the gross income of the employee, or (B) are paid by the employer); and

"(4) amounts received as a pension, annuity, or similar allowance for personal injuries or sickness resulting from active service in the armed forces of any country or in the Coast and Geodetic Survey or the Public Health Service.

"(b) **CROSS REFERENCES.**

"(1) For exclusion from employee's gross income of employer contributions to accident and health plans, see section 106.

"(2) For exclusion of part of disability retirement pay from the application of subsection (a) (4) of this section, see section 402 (h) of the Career Compensation Act of 1949 (37 U. S. C. 272 (h)).

## "SEC. 105. AMOUNTS RECEIVED UNDER ACCIDENT AND HEALTH PLANS.

"(a) **AMOUNTS ATTRIBUTABLE TO EMPLOYER CONTRIBUTIONS.** Except as otherwise provided in this section, amounts received by an employee through accident or health insurance for personal injuries or sickness shall be included in gross income to the extent such amounts (1) are attributable to contributions by the employer which were not includable in the gross income of the employee, or (2) are paid by the employer.

"(b) **AMOUNTS EXPENDED FOR MEDICAL CARE.** Except in the case of amounts attributable to (and not in excess of) deductions allowed under section 213 (relating to medical, etc., expenses) for any prior taxable year, gross income does not include amounts referred to in subsection (a) if such amounts are paid, directly or indirectly, to the taxpayer to reimburse the taxpayer for expenses incurred by him for the medical care (as defined in section 213 [e]) of the taxpayer, his spouse and his dependents (as defined in section 152).

"(c) **PAYMENTS UNRELATED TO ABSENCE FROM WORK.** Gross income does not include amounts referred to in subsection (a) to the extent such amounts—

"(1) constitute payment for the permanent loss or loss of use of a member or function of the body or the permanent disfigurement, of the taxpayer, his spouse, or a dependent (as defined in section 152), and

"(2) are computed with reference to the nature of the injury without regard to the period the employee is absent from work.

"(d) **WAGE CONTINUATION PLANS.** Gross income does not include amounts referred to in subsection (a) if

such amounts constitute wages or payments in lieu of wages for a period during which the employee is absent from work on account of personal injuries or sickness; but this subsection shall not apply to the extent that such amounts exceed a weekly rate of \$100. In the case of a period during which the employee is absent from work on account of sickness, the preceding sentence shall not apply to amounts attributable to the first seven calendar days in such period unless the employee is hospitalized on account of sickness for at least one day during such period. If such amounts are not paid on the basis of a weekly pay period, the secretary or his delegate shall by regulations prescribe the method of determining the weekly rate at which such amounts are paid.

"(e) **ACCIDENT AND HEALTH PLANS.** For purposes of this section and section 104—

"(1) amounts received under an accident or health plan for employees, and

"(2) amounts received from a sickness and disability fund for employees maintained under the law of a State, a Territory, or the District of Columbia, shall be treated as amounts received through accident or health insurance.

"(f) **RULES FOR APPLICATION OF SECTION 213.** For purposes of section 213 (a) (relating to medical, dental, etc., expenses) amounts excluded from gross income under subsection (c) or (d) shall not be considered as compensation (by insurance or otherwise) for expenses paid for medical care.

## "SEC. 106. CONTRIBUTIONS BY EMPLOYER TO ACCIDENT AND HEALTH PLANS.

"Gross income does not include contributions by the employer to accident or health plans for compensation (through insurance or otherwise) to his employees for personal injuries or sickness."

HARLAND FOX

*Division of Personnel Administration*

### Younger Workers More Often Absent

Young employees at E. I. duPont de Nemours and Company take more time off the job because of illness than do the older workers. This fact was revealed in a sample survey of 1,471 company employees at four different plant locations.

Fifty-five per cent of all employees in the twenty-four to twenty-nine age group lost time due to non-occupational illness. This contrasts to 33% in the thirty-six to forty age group; 42% in the forty-six to fifty bracket, and 49% in the fifty-five to sixty age group. The 1,471 employees who participated in the survey included 1,190 married and 281 single persons.

In all cases of illness reported in a year's time, the greatest number represented less than a week's loss of time. In the survey sample it was found that the typical employee loses 4.3 days a year from illness or nonoccupational accidents. This is less than the national average.



# Population Coverage

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This is the third in a series of articles appearing in the *Management Record* on The Conference Board's consumer price index. Subsequent issues will give further details of the revision. The Board's staff is ready to furnish additional information to anyone using the index. As announced before, a complete report on the revision, including an explanation of the statistical techniques and compilation procedures, will be published early in 1955.

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**T**HE BOARD'S consumer price index has just undergone an extensive revision—a discussion of some of the important changes having appeared in the last two issues of this magazine.<sup>1</sup>

Another important change, not yet touched upon, involves geographic areas. The broadening of these areas where consumer purchases are priced means that, for the first time, the index is representative of all United States cities with a population of 50,000 or more. This change in coverage as well as a slightly altered definition of the "index family," is important in making the new CPI a more precise tool for measuring price changes of goods and services purchased by urban wage earners and clerical workers.

The new definition of the index family, although of less importance than the change in geographic area, will be considered first as it plays a role in the latter change.

### THE INDEX FAMILY

It has long been recognized that consumption patterns vary with such factors as size and type of community, income, occupation, family composition and climate. And therefore a market basket based on the spending of a very diversified group is likely to be unrealistic as far as any of the group's constituent parts are concerned. For example, it is quite possible to determine a market basket for a population consisting only of low-income rural dwellers and high-income city dwellers. The result, however, would

probably be so different from the expenditure pattern of either of these two groups as to make any conclusions highly questionable. Therefore, because of divergencies in spending habits, it is advisable to limit index coverage and use a market basket consistent with a particular group's consumption pattern. This does not prevent the index from being useful as an approximate measure of price change for a larger segment of the population.

### Why They Were Selected

Urban wage earners and clerical workers were selected as the basic index family in the Board's revised CPI. This is the same group that the old index based its market basket on; only the definition has been slightly altered. There were several reasons for merely making this slight revision. Besides serving as a general measure of consumer price change, the index is extensively used in labor negotiations—both as a general guide and in the more formal escalator clauses. It was felt that the wage earner and clerical worker group would give a more relevant picture here than some other groups might.

Another consideration was historical continuity. The index has covered the urban worker's family since 1914, and the continued use of this group helps to preserve the historical continuity of the series. Furthermore, the Board has considered the wider purpose of the index—that is, as an approximate measure of price change for the United States as a whole. Urban workers' families are a large part of the total urban population. And urban dwellers, in turn, amount to 64% of the total United States population, according to the 1950 Census.<sup>1</sup>

### Who They Are

But who are these wage earners and clerical workers covered by the consumer price index? As pointed out in the earlier articles in this series, the new market basket was derived from the Consumer Expenditure Survey of 1950, made by the Bureau of Labor Statistics. For this survey, BLS defined what it called a consumer unit, which consists of:

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<sup>1</sup> For a general discussion of the new CPI, see "Revised Consumer Price Index," *Management Record*, August, 1954, p. 302; for a more technical discussion of the base and formula, see "New Base, New Formula," *Management Record*, September, 1954, p. 339.

<sup>1</sup> It must be remembered, however, that with each degree of removal from the urban wage earner and clerical worker group the applicability of the index becomes less precise.



"either (1) a family of two or more persons dependent on a common or pooled income for their major items of expense and usually living in the same household, or (2) a single consumer—a person who is financially independent of any family group."<sup>1</sup>

In order to be eligible as a worker-consumer unit, certain other criteria had to be fulfilled. The most important of these are:

1. The head of the household had to be classified as a wage earner or clerical worker employed in one of the following occupational groups:<sup>2</sup>

- Clerical
- Sales workers
- Craftsmen, foremen, etc.
- Operatives, etc.
- Service workers, except private household
- Laborers

This requirement eliminates such people as professionals, executives, and the self-employed.

<sup>1</sup> *Monthly Labor Review*, Bureau of Labor Statistics, Vol. 75, No. 2, August, 1952, p. 126.

<sup>2</sup> These groups are based on Bureau of Census definitions. For details see, "U. S. Census of Population: 1950," Vol. II, Part 1, p. 53 ff.

2. Although there is no specific requirement as to constant or full-time employment, the major portion of the family head's income must be derived from an occupation as wage earner or clerical worker. Thus a family is not excluded for receiving relief or unemployment compensation, but any amounts thus received during the year must be less than the money earned in one of the specified occupations.

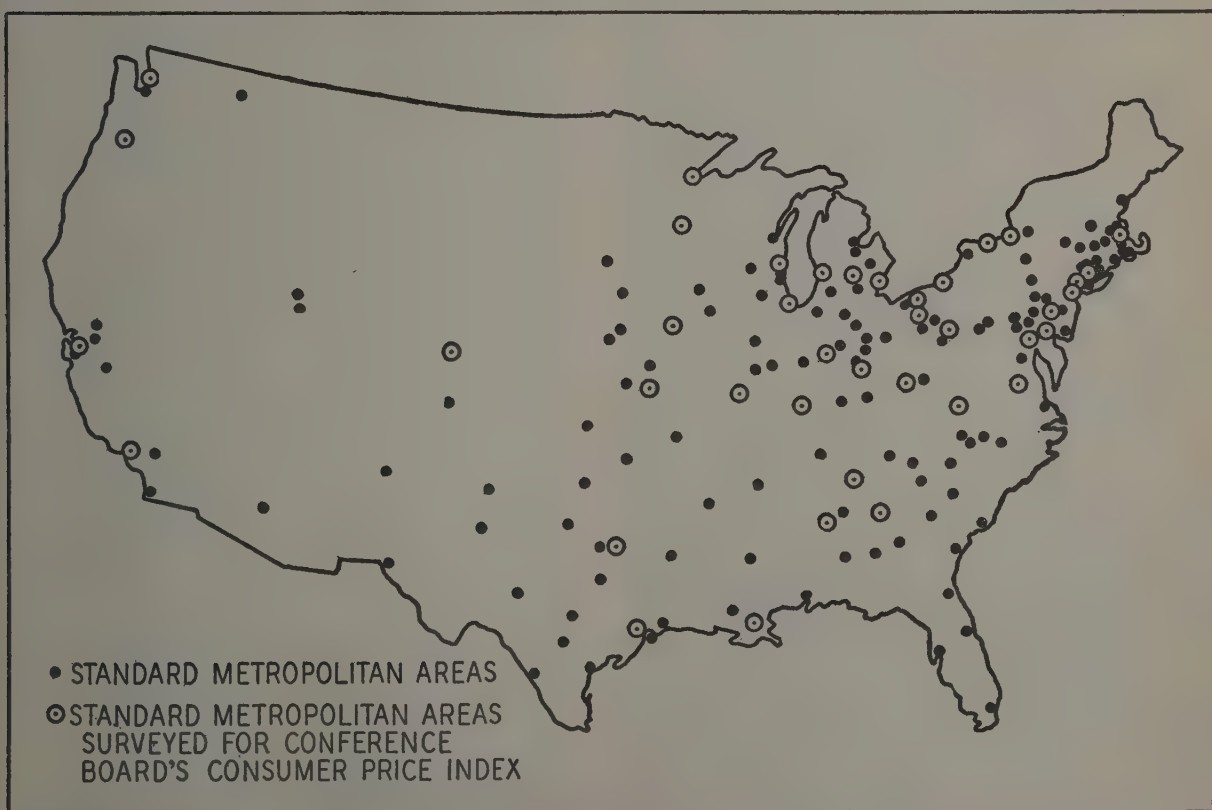
3. The combined annual family income, after income and other personal taxes, has to be less than \$10,000, part of which must come from wages or salaries.

These definitions, basic to the expenditure survey, were adopted by the Board with the following minor alterations: the exclusion of single individuals due to their very special consumption patterns and the requirement that the wage earners' or clerical workers' families live in cities of over 50,000 population.

#### Residence of Index Families

The shift of workers' families in the last twenty years from metropolitan areas into the suburbs has called for some changes in residence requirements. It is now necessary to include those living in the urban

### Distribution of Standard Metropolitan Areas in the United States



## Standard Metropolitan Areas Surveyed for the New Consumer Price Index

<i>Every Month</i>	<i>January, April, July and October</i>	<i>February, May, August and November</i>	<i>March, June, September and December</i>
Birmingham	Bridgeport	Akron	Atlanta
Boston	Cincinnati	Baltimore	Cleveland
Chicago	Erie	Chattanooga	Des Moines
Denver	Grand Rapids	Dallas	Evansville
Detroit	Minneapolis-St. Paul	Duluth-Superior	Huntington-Ashland
Houston	New Orleans	Richmond	Kansas City
Indianapolis	Newark-Northeastern	Rochester	Lansing
Los Angeles	New Jersey	St. Louis	Milwaukee
New York	Roanoke	San Francisco	Pittsburgh
Philadelphia	Seattle	Oakland	Portland, Ore.
	Syracuse	Wilmington	

fringes, as well as those within the large cities. Early attempts were made to define this area, and terms such as metropolitan district, industrial, economic, trading and urbanized areas were devised.

The need, however, was for a precisely defined area, usable for social and economic analysis of the expanding city. The relatively new "standard metropolitan area," established by the Bureau of the Census, meets this requirement, and has been found to be advantageous in many branches of economic research.

A standard metropolitan area, as defined by the Bureau of the Census, is:

"... [except for New England] a county or group of contiguous counties which contains at least one city of 50,000 inhabitants or more. Counties contiguous to the one containing such a city are included . . . if according to certain criteria they are essentially metropolitan in character and socially and economically integrated with the central city . . . .

"Criteria of metropolitan character relate primarily to the county as a place of work or as a home for concentration of nonagricultural workers and their families . . ."<sup>1</sup>

In New England, towns and cities rather than counties were the constituent parts, using population density criteria.

According to the 1950 census, 87.6% of the total urban population is concentrated in the 168 standard metropolitan areas. Of the urban population, 51.2% live in the "central cities" themselves, and another 36.4% in the surrounding urban fringes. A large part of this urban fringe population lives in smaller cities and towns around the large city. The index, therefore, covers a part of the urban population in places under 50,000. Thus, use of the index as a measure of price change for all urban wage earners' and clerical workers' families is further supported.

Standard metropolitan areas are the geographic units of the consumer price index. The exception—the New York-Northeastern New Jersey standard

metropolitan area—was split on state lines for index purposes, and called New York and Newark-Northeastern New Jersey, respectively.

### THE UNITED STATES INDEX

It is not necessary, of course, to survey price movements in all standard metropolitan areas in order to compute a consumer price index applicable to them as a group. A sample of these areas is sufficient.

To select the necessary sample, the Board examined the standard metropolitan areas of the thirty-nine cities in its old index. This group, with the addition of Atlanta, Georgia, gave a good cross-section according to the criteria of median income, climate, industrialization and geographic location.

The great demand for each of the large-city indexes, as well as their more "individualistic" expenditure patterns made it advisable to continue these local series. Therefore, almost all the very large cities are represented, while the smaller ones are not so heavily sampled. The individual city indexes are combined to make up the United States index by using population weights. In order to give price changes in the moderate-sized cities their proper importance, it was decided to let each of the surveyed standard metropolitan areas stand for others of approximately the same size. Thus for the large cities only their own populations are used as weights, while for the smaller ones, the population of other cities, of about the same size is added to that of the particular city that is surveyed. In this way, every standard metropolitan area in the United States is either surveyed itself or is represented by a surveyed area of approximately equal population.

This method of combining the forty city indexes into the United States index extends the coverage to all cities over 50,000. The map on the preceding page shows the location of the standard metropolitan areas and indicates those priced for the index.

One important result of retaining cities formerly included is the continuation of local historical indexes.

<sup>1</sup> For a complete definition and detailed criteria, see "U. S. Census of Population: 1950," Vol. II, Part I, pp. 27, 28.



Not only is a continuous national index series preserved from 1914, but also uninterrupted historical series for thirty-five cities run back to 1939. Five cities go back for somewhat shorter periods: Evansville (added in 1941), Huntington-Ashland (1942), Lansing (1940), Roanoke (1941) and Syracuse (1940).

The special ten-cities index, published as a regular feature in *The Business Record* serves as a preview of the United States index. This index will also remain a continuous series, going back to January, 1948.<sup>1</sup>

#### Differences Between Old and Revised Indexes

There are two major differences in coverage between the old and the new consumer price indexes. One is the definition of the family covered, which is

<sup>1</sup> See "Ten-City Consumer Price Index Revised," *The Business Record*, September, 1954, p. 346.

only nominal. For here, the definition of the index family has changed primarily because the index family itself has changed. It is still basically the same family, although it now has a larger proportion of white-collar jobs, has moved from the city into the suburbs, and has increased its income.

The really important difference in the new index is the extension in coverage. This brings the index into agreement with modern concepts and gives a truer measure of urban price changes. Although the old index applied directly to thirty-nine cities, it was used to estimate price changes in all United States cities as well as the country as a whole. The new index, covering urban wage earners and clerical workers in cities of over 50,000 population only or in standard metropolitan areas gives a much better approximation of this price change.

JOHN E. DENES  
Statistical Division

## Insuring Effects of Personnel Assigned Overseas

JOHN JONES has a foreign assignment. He is going to Singapore to become affiliated with the foreign branch of his company and he'll soon be known as a United States expatriate.

Right from the start John Jones has many questions about matters concerning his new assignment. Many of these questions are related to getting him, his family and their belongings to the new post. He learns that the company will pay the shipping costs for a certain amount of personal effects and furniture for him and his family. But even so, his wife, Mary Jane, has a problem about this.

Are these effects going to be amply insured? What if something should happen en route to the antique cherry table that belonged to John's great aunt Tessie? After all, that could never be replaced. And what about their precious baby grand piano?

John Jones begins to think maybe it would be best to leave some of these household effects in storage in the States rather than send them overseas. But what about the cost of storing and insuring them? Who will pay for that?

Many companies that send personnel from the United States to foreign countries pay the shipping costs on a certain amount of household as well as personal effects of these persons, but their practices may differ on insuring these effects.<sup>1</sup> Because they

anticipate questions such as those of John and Mary Jane Jones, some companies have established procedures to take care of these matters. And so that these procedures may be clearly understood by all concerned, some of these companies have also included written statements in their policy manuals to explain the amount of insurance which they will assume on employees' effects. Three such statements are given.

One company provides insurance coverage as follows:

#### "(1) Personal effects insurance

"To personnel and their immediate families while traveling from point of departure to point of destination, in amount not exceeding \$1,500, when employee is assigned from the United States to a post outside continental United States and Canada; upon transfer from one foreign country to another; or upon return to the United States from a foreign country other than Canada.

#### "The policy does not insure:

"(a) While on the premises of the domicile of the assured;

"(b) Jewelry, watches, articles consisting of gold or platinum, silver, and furs, for more than 10% of the amount of insurance, nor for more than \$100 each article;

"(c) Loss or damage of personal effects caused by theft or pilferage from a fully enclosed securely locked automobile for more than 10% of the amount of insurance, nor for more than \$250 in any one loss, whichever is the lesser;

"(d) Against breakage of articles of a brittle nature unless caused by thieves, fire or accident to conveyances;

"(e) Against risks of loss or damage usually comprehended by 'war risk' insurance.

<sup>1</sup> Practices of companies in paying shipping costs of household and personal effects are explained in "Personnel Policies for Americans Overseas," *Management Record*, June, 1953.

**"(2) Household effects**

"Coverage on household effects while in transit from point of shipment to point of destination, in an amount not exceeding \$15,000, for personnel assigned from the United States to a post outside continental United States and Canada; upon transfer from one foreign country to another; or upon return to the United States from a foreign country other than Canada."

Another company makes the following statement concerning insurance on personal baggage and effects:

"The company, upon request, will arrange and pay for insurance on personal baggage up to \$1,000 per person, and on furniture and personal belongings shipped up to \$10,000 total, excluding automobile insurance."

Concerning effects left in the United States, this company's policy manual says:

"The employee will be responsible for all expense in connection with personal effects left in storage. The company, however, will assume normal packing and trucking charges for such effects to the point of storage, subject to approval by proper authority."

A third company has this to say about insurance coverage on household and personal effects of employees going to foreign stations.

"The company shall become self-insurer, as to authorized shipments under the dollar payroll policy from the United States to Venezuela, of employee-owned household goods [and] automobiles; and from the country of the employee's point of origin of all personal effects.

"The company responsibility shall be limited to amount of actual loss or damage sustained, based upon (1) crating costs; (2) declared value of shipment made by employee for purpose of obtaining Venezuelan Consular clearance in the United States, as to items contained therein only; (3) consular fees; (4) transportation costs incurred by employee; and (5) duties and handling charges paid by employee at port of entry in Venezuela.

"In the event of partial loss or damage, the extent thereof shall be determined by allocation to the items partially lost or damaged its proportionate part of the value of the entire shipment . . . and a determination of the extent of such loss or damage. For the purpose of arriving at this percentage of loss, a committee shall be formed, consisting of the supervisory division head, the head of the legal division and a representative of the management division, which shall decide the amount of loss or damage which should be allowed. The decision of this committee shall be final."

Employees' claims are handled by this company in the following manner:

"In all instances the employee claim will be settled as soon as possible following presentation of claim. Failure on the part of an employee to present any of the documents required by the referenced bulletin shall not prejudice his right to collection of a claim, provided always that there is sufficient evidence of loss or damage to arrive at the amount or value thereof."

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## A "Core" Program for Supervisory Training

The usual emphasis in supervisory training is on the development of human relation skills and the solution of job problems. However, some companies find that supervisors also need training slanted at the development of administrative ability. This sometimes results in a "core" program, designed to give the supervisor an understanding of the basic elements which are necessary to the successful operation of his job and his company.

Typical of this approach is the management planning training program developed by Armco Steel Corporation in Middletown, Ohio. When completed, this program will consist of five general sections. These will demonstrate how proper planning can improve administrative practices in the use of manpower, materials, machines, methods and money.

The master outlines for this program are prepared by the staff training department. Enough copies of the discussion outline are sent to each plant to supply all attending the meetings. The works manager uses the outline as the basis for his own presentation at a weekly session of his plant superintendents. The information is carried down the line later in the same week, when each superintendent meets with his foremen and leads a discussion based on the material in the outline.

Armco finds that supervision reacts very favorably to these meetings. The program has enabled the supervisors to better evaluate their individual responsibilities. It has also focussed attention on the greater effectiveness that can come from planning administrative procedures.



# Significant Labor Statistics

Item	Unit	1954							Year Ago	Percentage Change	
		August	July	June	May	April	March	Feb.		Latest Month over Previous Month	Latest Month over Year Ago
<b>Consumer Price Indexes</b>											
All Items (a).....	1953 = 100	na	100.5	100.3	100.4	100.1	100.2	100.3	100.5	na	na
Food (b).....	1953 = 100	na	100.8	100.3	100.4	99.4	99.2	99.4	101.2	na	na
Housing.....	1953 = 100	na	100.7	100.8	100.8	100.9	101.0	100.9	100.0	na	na
Apparel.....	1953 = 100	na	98.9	99.1	99.2	99.3	99.6	99.6	100.0	na	na
Transportation.....	1953 = 100	na	100.2	99.6	99.4	99.2	99.9	100.5	100.5	na	na
Sundries.....	1953 = 100	na	100.9	100.9	100.9	101.0	101.1	101.0	100.3	na	na
Purchasing Value of Dollar.....	1953 dollars	na	99.5	99.7	99.6	99.9	99.8	99.7	99.5	na	na
(BLS) All Items.....	1947-1949 = 100	115.0	115.2	115.1	115.0	114.6	114.8	115.0	115.0	-0.2	0
<b>Employment Status<sup>1</sup></b>											
Civilian labor force.....	thousands	65,522	65,494	65,445	64,425	64,063	63,825	63,725	(K)	n	na
Employed.....	thousands	62,276	62,148	62,098	61,119	60,598	60,100	60,055	—	+0.2	na
Agriculture.....	thousands	6,923	7,486	7,628	6,822	6,076	5,875	5,704	—	-7.5	na
Nonagricultural industries.....	thousands	55,349	54,661	54,470	54,297	54,522	54,225	54,351	—	+1.3	na
Unemployed.....	thousands	3,245	3,346	3,347	3,305	3,465	3,725	3,671	—	-3.0	na
<b>Wage Earners<sup>2, 3</sup></b>											
Employees in nonagr'l establishm'ts.....	thousands	p 48,007	p 47,824	r 48,137	47,935	48,068	47,848	47,880	49,962	+0.4	-3.9
Manufacturing.....	thousands	p 15,881	p 15,638	r 15,888	15,836	16,000	16,234	16,322	17,537	+1.6	-9.4
Mining.....	thousands	p 733	p 735	r 744	737	749	772	790	844	-0.3	-13.2
Construction.....	thousands	p 2,834	p 2,794	r 2,729	2,634	2,535	2,415	2,356	2,825	+1.4	+0.3
Transportation and public utilities.....	thousands	p 4,026	p 4,041	r 4,032	4,008	4,008	3,992	4,039	4,274	-0.4	-5.8
Trade.....	thousands	p 10,312	p 10,379	r 10,414	10,375	10,496	10,305	10,310	10,392	-0.6	-0.8
Finance.....	thousands	p 2,125	p 2,126	r 2,104	2,081	2,075	2,057	2,044	2,067	n	+2.8
Service.....	thousands	p 5,638	p 5,643	r 5,601	5,563	5,506	5,406	5,380	5,601	-0.1	+0.7
Government.....	thousands	p 6,458	p 6,468	r 6,625	6,701	6,699	6,667	6,639	6,422	-0.2	+0.6
<b>Production and related workers in manu'g Employment</b>											
All manufacturing.....	thousands	p 12,478	p 12,233	r 12,480	12,437	12,590	12,818	12,906	14,070	+2.0	-11.3
Durable.....	thousands	p 6,959	p 6,933	r 7,177	7,208	7,309	7,430	7,520	8,195	+0.4	-15.1
Nondurable.....	thousands	p 5,519	p 5,300	r 5,303	5,229	5,281	5,388	5,386	5,875	+4.1	-6.1
<b>Average weekly hours</b>											
All manufacturing.....	number	p 39.7	p 39.4	39.6	39.3	39.0	39.5	39.6	40.5	-0.6	-2.0
Durable.....	number	p 40.1	p 39.7	40.0	39.9	39.7	40.0	40.2	41.1	0	-2.4
Nondurable.....	number	p 39.2	p 39.0	39.0	38.5	38.0	38.8	38.8	39.6	-1.2	-1.0
<b>Average hourly earnings</b>											
All manufacturing.....	dollars	p 1.79	p 1.80	1.81	1.80	1.80	1.79	1.80	1.77	+0.8	+1.1
Durable.....	dollars	p 1.91	p 1.91	1.91	1.91	1.90	1.90	1.90	1.88	+1.0	+1.6
Nondurable.....	dollars	p 1.64	p 1.66	1.66	1.66	1.65	1.65	1.65	1.61	+0.5	+1.9
<b>Average weekly earnings</b>											
All manufacturing.....	dollars	p 71.06	p 70.92	71.68	70.74	70.20	70.71	71.28	71.69	+0.2	-0.9
Durable.....	dollars	p 76.59	p 75.83	76.40	76.21	75.43	76.00	76.38	77.27	+1.0	-0.9
Nondurable.....	dollars	p 64.29	p 64.74	64.74	63.91	62.70	64.02	64.02	63.76	-0.7	+0.8
<b>Straight time hourly earnings</b>											
All manufacturing.....	dollars	e 1.75	1.76	1.77	1.76	1.76	1.75	1.76	1.72	-0.6	+1.7
Durable.....	dollars	e 1.86	1.86	1.86	1.86	1.85	1.85	1.84	1.81	0	+2.8
Nondurable.....	dollars	e 1.61	1.63	1.63	1.63	1.62	1.62	1.62	1.57	-1.2	+2.5
<b>Turnover rates in manufacturing<sup>2</sup></b>											
Separations.....	per 100 employees	p 3.3	r 3.1	3.1	3.3	3.8	3.7	3.5	4.8	+6.5	-31.3
Quits.....	per 100 employees	p 1.3	1.1	1.1	1.0	1.1	1.0	1.0	2.9	+18.2	-55.2
Discharges.....	per 100 employees	p 0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.4	0	-50.0
Layoffs.....	per 100 employees	p 1.6	r 1.6	1.7	1.9	2.4	2.3	2.2	1.3	0	+23.1
Accessions.....	per 100 employees	p 3.3	r 2.9	3.5	2.7	2.4	2.8	2.5	4.3	+13.8	-23.3

<sup>1</sup> Bureau of the Census. <sup>2</sup> Bureau of Labor Statistics.  
<sup>3</sup> The BLS has adjusted its non-farm employment and hours and earnings series to first quarter 1953 benchmark levels. The benchmark level is the total count of workers covered in each industry, and in this instance the data were received from government social insurance programs. The adjustment affects all figures since January, 1951.

a Conference Board Consumer Price Index has been revised to 1953 level; housing now includes fuel and home furnishings; transportation was formerly part of Sundries.  
b Food priced during the week of the fifteenth.  
c Estimated p Preliminary r Revised  
(K) Labor Force data for a year ago not comparable with the new series.  
na Not available. n Less than .05

## Trends in Labor Relations

# SENIORITY FOR UNION OFFICIALS?

**D**O WORKERS who accept full-time jobs as union officials accumulate seniority and other service credits with the company while working for the union? THE CONFERENCE BOARD recently made two separate surveys of company practices in this field—one for hourly employees, the other for salaried.

The Board's survey of hourly employees covered 495 firms. Of this group, 409 replied that they had contracts with one or more unions, while eighty-six reported that they did not have any union contracts. Of the 409 companies with union contracts, 242 (59.2%) stated that employees who are union officials continue to accumulate seniority and other service credits in their companies while working for the union. This practice is followed by 70.6% of the thirty-four firms with over 5,000 employees, and by 79.1% of the 115 firms with 1,000 to 4,999 employees. This contrasts with a figure of 54.4% for the 182 firms employing between 250 and 999 persons, and only 35.9% of the firms with under 250 workers.

The survey of salaried workers covered 460 firms. Eighty-seven (18.9%) of these firms said that they had nonexempt salaried employees who were covered by union contracts, while 373 (81.1%) said they did not. Of the eighty-seven companies with unionized salaried workers, forty-four (50.6%) allow length-of-service credits to accumulate if a nonexempt salaried worker takes a full-time job with the union. As in the case of the hourly employees, the percentage of companies following such a practice is greatest among the larger firms. A union official is permitted to accumulate seniority in fourteen (70.0%) of the twenty firms with 5,000 or more employees, and in twenty (64.5%) of the thirty-one companies with between 1,000 and 4,999 workers. The percentage is markedly less for the smaller firms: 27.6% of the twenty-nine firms with 250 to 999 employees, and 28.6% of the seven companies with less than 250 employees.

## Rule Wage Data Must Be Supplied

A union is entitled, under the Taft-Hartley Act, to have a list of the names of employees together with their individual wage rates in order to bargain effectively on their behalf, according to a ruling of the NLRB. The NLRB, therefore, ordered the Whitt Machine Works to furnish the CIO Steelworkers with

**Table 1: Accumulation of Service Credits for Union Officials Among Hourly Workers**

Practice	Total		Number of Companies With:			
	No.	%	Under 250 Em- ployees	250 to 999 Em- ployees	1,000 to 4,999 Em- ployees	5,000 and Over Em- ployees
Are hourly workers covered by union contract?						
Yes	409	82.6	78	182	115	34
No (no union)	86	17.4	21	39	23	3
Total	495		99	221	138	37
If hourly employee accepts a temporary full-time job as a union official, does he accumulate length - of - service credits while serving in that capacity?						
Yes	242	59.2	28	99	91	24
No	117	28.6	32	60	17	3
No experience	14	3.4	1	9	4	..
No fixed policy	18	4.4	11	6	..	1
Did not answer	18	4.4	6	8	3	1
Total	409		78	182	115	34

**Table 2: Accumulation of Service Credits for Union Officials Among Nonexempt Salaried Workers**

Practice	Total		Number of Companies With:				
	No.	%	Under 250 Em- ployees	250 to 999 Em- ployees	1,000 to 4,999 Em- ployees	and Over 5,000 Em- ployees	
Are any nonexempt salaried employees covered by union contract?							
Yes	87	18.9	7	29	31	20	
No	373	81.1	96	155	107	15	
Total	460		103	184	141	35	
If nonexempt salaried employee accepts a temporary full-time job as a union official, does he accumulate length-of-service credits while serving in that capacity?							
Yes	44	50.6	2	8	20	14	
No	24	27.6	1	14	6	3	
No fixed policy	6	6.9	..	3	2	1	
Did not answer	13	14.9	4	4	3	2	
Total	87	100.0	7	29	31	20	



a list of individual wage rates for employees represented by that union.

The majority opinion was signed by board members Abe Murdock, Ivar H. Peterson and Philip Ray Rodgers. In a separate opinion, Chairman Guy Farmer concurred in part. Board member Albert C. Beeson dissented.

The board majority formulated the general rule for such cases as follows: "... the authority conferred by Section 9 (a) of the act upon a union representing a majority of the employees in an appropriate unit entitled the union to all wage information essential to intelligent representation of the employees, and that when such information is reasonably available only from the employer's records, it is the employer's duty, on request, to accommodate the union."

Board member Albert C. Beeson, dissenting, would dismiss the complaint against the company. He concluded:

"I find, as did the trial examiner, that respondent [company] was fully justified in its position. No controlling precedent requires that an employer supply financial data to a union unrelated to the latter's bargaining needs. Whether the union in fact has any legitimate reason for the demanded information should be carefully scrutinized, particularly where, as here, the data sought would invade the personal privacy of the individual workers. As the detailed information actually furnished by respondent was fully adequate for the union's expressed purposes in the present case and as no affirmative need is established for the additional information related to the individual employee's wages, I find that respondent furnished all of the wage information essential to the intelligent representation of the employees."

## Change One-Year Rule

The National Labor Relations Board ruled that the representative status of a union certified by the board may be challenged by a rival union within a year after the certification if the certified union's contract expires or is subject to renewal within that year. This ruling modifies the board's strict rule against petitions for elections during the first year after certification of a union, which the NLRB has followed since 1952. In the same decision, the NLRB reversed an earlier rule, adopted by the board in 1946 in the Quaker Maid case, that any contract made during the year after a union's certification would bar the holding of a representation election among the employees covered. The board held that contracts made during the certification year will be subject to the same rules as contracts made at other times.

The board's rulings on these points were made by a vote of three to two in two representation cases involving the Ludlow Typograph Company and three unions seeking to represent Ludlow employees: the International Association of Machinists, AFL; the

International Union of Electrical Workers, CIO; and the International Metal Engravers Union, AFL. The majority opinion was signed by Chairman Guy Farmer and board members Philip Ray Rodgers and Albert C. Beeson. Board members Abe Murdock and Ivar H. Peterson dissented.

The NLRB rejected the company's and the AFL Machinist union's contentions that the second contract they had made during the certification year should bar the petitions for board elections filed by the IUE-CIO and the AFL Engravers union. Both petitions were filed before the second contract was made. The board directed an election among the production employees asked by the IUE, but dismissed the Engravers' petition for a separate unit of pantograph operators on the ground that these employees were not craftsmen. The board directed the election to be held within thirty days. The production employees will have a choice of the Machinists' union, the IUE-CIO, or no union. The majority opinion said:

"The original reason for the one-year certification rule was to afford time to the certified union and the employer for negotiating a collective bargaining agreement free of interference by rival claims of representation. The rule itself was a pronouncement of the board and is nowhere required by the act. In the board's experience, one year is an adequate time for the certified union and the employer to reach agreement on terms and conditions of employment, if they are ever to do so. But, if the parties are able to agree on a collective bargaining contract in less than the one year allotted, there is no sound reason for saying that they shall have the remainder of the year to make a second or third contract free of interference by rival claims of representation."

Of the rejected rule that any contract made during the certification year would bar an election, which was announced in the Quaker Maid case in 1946, the majority said:

"The Quaker Maid rule . . . unduly prolongs the protection afforded an employer and an incumbent union by the certificate, with consequent damage to the employees' freedom of choice. By permitting the making of two contracts within a certification year which are bars to an election, the Quaker Maid rule permits the employer and the incumbent union in effect to circumvent another board rule against contracts of more than two years serving as a bar. For all the foregoing reasons, we believe that a sounder rule and one more in keeping with the purposes of the act is to allow the contract to control the filing of a new petition. The normal contract bar rules have themselves been carefully formulated with a view to balancing the interest of employees in freedom to select and change their bargaining representative at will, as against the sometimes conflicting public interest in achieving stability of bargaining relationships."

JAMES J. BAMBRICK, JR.

GEORGE H. HAAS

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## Briefs on

# PENSIONS AND OTHER BENEFITS

### Union Welfare Funds

Nationwide attention again has been focused on welfare funds administered by unions, this time because of the New York State Insurance Department's recent investigation. Their initial study of 135 union welfare funds in New York found twenty-one funds "badly run," forty-one "subject to severe criticism," and seventy-three "really good." Subsequent public hearings spotlighted the activities of union officials responsible for the management of funds in locals of the CIO Retail, Wholesale and Department Store Union. Walter Reuther's demand that the international's president "take prompt remedial action against the local officials involved in the malpractices disclosed at these hearings" resulted in the suspension of six officials, the appointment of administrators for the five locals formerly headed by the suspended leaders and the promise of an audit of every welfare fund in the CIO union.

\* \* \*

Other multiemployer-union welfare funds have reported financial trouble recently. AFL Hosiery Workers agreed to end a pension plan paid for by a 4% payroll contribution from thirty employers of the Full Fashioned Hosiery Manufacturers of America. The liquidation of the fund was caused by depressed conditions in the hosiery industry, and the competition of unorganized manufacturers who do not contribute to the pension fund.

\* \* \*

The failure of other industries employing members of the AFL International Brotherhood of Electrical Workers to contribute to the costs of financing the union's pension fund has brought a strong protest from the 12,000 contractors in the National Electrical Contractors' Association. The contractors' agreement with the IBEW requires them to contribute 1% of gross payroll into the union pension fund. From this fund an amount is taken to match contributions of \$1.60 per month by each of the 300,000 IBEW members eligible for the pension plan. The NECA, however, employs only about 123,000 of these eligible members. Employers of the remaining 60%, in such fields as public utilities, manufacturing and government, are making no contributions to the fund.

Joining in the protest, IBEW head J. Scott Milne, in the August issue of *The Electrical Workers' Journal*, warned members that:

"The [NECA] contractors are matching the amount of money being paid by all 300,000 members. They are carrying the freight for employers of 177,000 of our members who have no claim on the contractors as employers. There is nothing fair or just in this . . . our employers in the contracting field who have been so cooperative in every way on our pension plan are going to refuse to continue their 1% agreement. This, of course, would be disastrous, as we cannot carry the burden alone. . . . The solution is to get the employers of the 177,000 to pay into the fund just as the [NECA] contractors are doing."

\* \* \*

Discontinuance of two emergency programs and an increase in royalty receipts has resulted in a \$1,500,000 surplus (for the year ending June 30) in the bituminous coal welfare and retirement fund of the United Mine Workers. The \$30 per month benefit for widows and \$10 per month for orphans of miners have been discontinued; also dropped are the extra \$30 per month for maintenance of disabled miners and \$10 per month for maintenance of dependents of disabled miners.

Because of declines in production of anthracite, trustees of the anthracite health and welfare fund recently cut pensions in half—from \$100 to \$50 per month.

### Notes on Stock Purchase Plans

The New Britain Machine Company's first offering of company stock to employees was oversubscribed by more than 70%. The offering of 5,000 shares resulted in applications for 8,646 shares. To distribute the 5,000 shares, all subscriptions for five shares or less were allotted as requested; all subscriptions up to ten shares were allotted five shares; and all subscriptions for more than ten shares were reduced in proportion to the oversubscription, after allowing for the minimum allotments. Company stock was offered at the average April bid price; payment by employees is to be made by payroll deductions spread over the year.

\* \* \*

One out of every five eligible Westinghouse employees now participates in the employee stock pur-



chase plan. The ninth buying period attracted 2,967 employees who had not participated in previous offerings, bringing the total of 23,379 employees. Employees have invested nearly \$32 million in company stock under the plan. Stock is purchased at a discount through payroll deductions.

\* \* \*

American Telephone and Telegraph will make its second offering of company stock to employees under the 1950 stock purchase plan in October. Employees with three months or more of service on October 10 are eligible to buy stock at \$20 a share less than the market price when payment is completed (the purchase price cannot be more than \$150 or less than \$100 per share, however). About one-third (210,000) of the Bell system employees currently are buying company stock by installment payments.

\* \* \*

The sixth offering of Dow Chemical common stock to employees has been authorized for September 7. Eligible employees (not including Dow officers and directors) can buy stock in amounts not exceeding their annual wages. Payment is by payroll deductions. In previous offerings, the percentage of eligible employees buying stock reached as high as 48%.

\* \* \*

Commonwealth Edison stockholders authorized an employee stock purchase plan at their annual meeting held in Chicago in May. Stock will be offered at a discount, and employees may sell at any time they desire. Other details of the plan now are being worked out.

## Stock Bonus

The fourth stock bonus of Standard Oil (Indiana) has set a new record. Nearly 32,000 employees received 52,122 shares of stock valued at \$4,289,640. The stock is given—without cost to employees—to every employee enrolled in the retirement plan who bought the required amount of U. S. savings bonds. Employees received one share of Standard stock for each \$132 worth of savings bonds purchased.

## Negotiated Insurance Benefits

Details of the insurance benefits negotiated by the CIO Steelworkers with United States Steel and Bethlehem Steel were released at the recent Steelworkers' convention. Improvements in benefits are to be financed by a contribution of 9 cents per hour worked, half to be paid by the employees and half by the company. The following changes have been made:

1. A \$1,000 increase in life insurance for active

employees has been agreed upon, resulting in a range of \$2,750 to \$5,500, depending on the employee's hourly rate. At U. S. Steel the amount of extra insurance an employee can buy has been increased only \$500, since the maximum is one-half of the jointly paid insurance.

2. Life insurance for employees who retire after October 31 will be guaranteed for the remainder of their lives, and will be funded from joint contributions. The amount of life insurance for retired employees at U. S. Steel will remain at \$1,250. At Bethlehem, the minimum will remain at \$1,250 but the maximum (30% of insurance while an active employee) will increase by \$300 due to the increase in life insurance for active employees. The companies will pay for life insurance for employees who retired prior to October 31.

3. Group sickness and accident benefits have been increased from \$26 to \$40 per week.

4. Group sickness and accident benefits will be used to supplement compensable disability; workmen's compensation benefits will be deducted from group benefits.

5. Hospitalization benefits under Blue Cross will provide 120 days of coverage instead of seventy days. The allowance toward the cost of a private room is increased from \$6 to \$10 per day.

6. Surgical benefits for dependents have been restored as a basic benefit.

\* \* \*

Insurance benefits negotiated by Weirton Steel and the Independent Steelworkers increased hospitalization for employees and dependents from \$9.50 a day for forty-five days to \$12 a day for ninety days; hospital incidentals were increased from \$95 to \$225. Group sickness and accident benefits were boosted from a range of \$14 to \$49 per week to a new range of \$35 to \$56 per week. Workmen's compensation payments were supplemented so they would reach the maximum of sickness and accident benefits for twenty-six weeks. Provision also has been made for a \$10,000 maximum for accidental death or dismemberment. Life insurance benefits ranging from \$1,500 to \$40,000, depending on earnings, are provided employees. \$1,000 life insurance for wives and \$500 for each child age five to twenty-one are provided. Employees pay 40% of the cost of the benefits.

\* \* \*

Noncontributory insurance benefits are included in the recent agreement between the United Steelworkers and Alcoa and Reynolds Metals Co. The benefits include a \$3,500 death benefit for active service employees, sickness and accident benefits of \$40 per week for a maximum of twenty-six weeks, supplements to workmen's compensation up to the

maximum sickness and accident benefit, and an increased hospitalization benefit of \$13 per day for a maximum of 120 days. Surgical benefits remain unchanged, but maternity benefits are provided for the first time.

The agreement contains pension benefits identical to those negotiated by the union with the United States Steel Company.<sup>1</sup>

\* \* \*

Libby-Owens-Ford Glass Company and Pittsburgh Plate Glass have added a contributory life insurance plan to their present noncontributory plan in their recent agreements with the CIO Glass Workers. Em-

<sup>1</sup> See "Steel Pattern on Pensions and Insurance Emerges," *Management Record*, August, 1954, p. 310.

## Labor Press Highlights

# NEW MACHINES, NEW METHODS VIEWED

**J**OBS ARE disappearing! New machinery, new methods swallow them up. These statements from *The Packinghouse Worker* just about sum up a worry that is being expressed quite frequently in the labor press.

*The Machinists' Monthly Journal*, for example, reprinted an address on "Automation" by D. S. Harder, vice-president of manufacturing at Ford Motor Company. The purpose was merely to acquaint its members with what the term means and "what it can mean to us."

The Packinghouse Workers, however, as indicated by the opening statement, feel that the new machines and methods mean job losses—or transfers to lower paying jobs. To handle this problem, the Packinghouse Union's announced bargaining objectives for the coming year include shortening the workweek to thirty-five hours, increasing severance pay, and introducing provisions into its contracts that will assure that rates will not be cut when new machines are installed.

The AFL Teamsters, according to their monthly publication, are also "feeling the squeeze, as frozen and prepacked commodities, concentrates and vending machines upset the delivery picture." If the growth of new processes continues at its present rate, the normal routine of every driver and warehouseman will be altered, concludes *The Teamster*. The change in weight and volume of the commodities to be transported is responsible for part of the "squeeze" on teamster operations. Jurisdictional disputes arising from changed packing methods are another problem, according to *The Teamster*. As an example, it cites a

employees will contribute initially 85 cents per month per \$1,000 for the contributory insurance.

## Pensions

Pittsburgh Plate Glass and the CIO Glass Workers amended the pension formula in their pension agreement. The new formula is \$1.50 per month times the number of years of continuous service at the time of retirement. Social Security benefits are no longer to be deducted from the company pension. Formerly the plan provided a pension of \$100 a month for twenty-five years' continuous service plus \$1 a month for each year of continuous service over twenty-five. Social Security benefits were deducted from this.

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jurisdictional dispute that arose when a pop manufacturing company switched from bottles to cans.

While some unions punctuate the problems of mechanization with exclamation points, the *United Mine Workers' Journal* sits back, takes a long look at the problem, and decides that it is one that mine workers are quite familiar with.

Of automatic plants and pushbutton machinery, the *Journal* says: "This is no Rube Goldberg fantasy but a down to earth reality." It constitutes a challenge to organized labor, but there are "no grounds for panic reaction."

The *Journal* says that "the position of the UMWA on mechanization has set the pattern for all industry. The Mine Workers in the United States have not resisted mechanization but have welcomed it, insisting only that the benefits must be shared by all concerned, the mine owners, the miners, the investors and the consumers of coal."

The *Journal* notes that the changes in coal have come about gradually, so that there has been time in which to adjust to the new technology, and there has been no major problem of emergency mass unemployment created by the entry of the machines. On this point, the UMWA sees a major difference between "mechanization" and "automation." It feels that some industries may not have had sufficient time to adjust the employees to the new automatic type machinery.

Restraints or "countermoves" must be imposed by organized labor, according to the UMWA, if unions are to avoid the more disastrous implications of automation. Obvious offhand answers, according to the *Jour-*



nal, "are shorter hours and shorter workweeks, severance pay, more general unemployment compensation, earlier retirements and bigger pensions, higher wages for the skilled workers who are retained, etc." These measures the *Mine Workers' Journal* characterizes as primary matters for union action in the field of wage negotiations. But for the broader outlook in viewing the introduction of new automatic methods, the *Journal* refers to President Lewis' often-quoted statement: "Mine workers do not believe that God put an idea in the mind of an inventor for the sole profit of coal operators. We propose to bargain in the market for our share."

### AFL Textile Union Hikes Dues

A 50% increase in union dues was approved by the AFL Textile Union's convention, reports the *St. Louis Labor Tribune* (AFL, Missouri). This brings monthly dues to \$3. The additional funds, according to the union, will go toward financing a southern organizing drive. A recent financial statement issued by the union showed that its last organizing drive had left the union with liabilities that exceeded assets by \$14,257.88. Expenses for 1953 exceeded the year's income by \$42,000.<sup>1</sup>

### CIO Chemical, Oil Unions One Step Closer to Merger

A proposed merger with the CIO Oil Workers' Union has been approved by the CIO Gas, Coke and Chemical Workers at their recent convention. The Oil Workers Union is expected to okay the merger at its November convention, reports *The CIO News*. CIO President Walter Reuther, in pushing for the merger, told the Chemical Workers that the national CIO is not satisfied with the return from its subsidies to the chemical union. Too often, he said, the money has been dissipated in jurisdictional disputes or internal union politics. Mr. Reuther also emphasized that the Chemical Workers' Union, acting alone, could not muster the strength to organize the giants of the chemical industry.

### New President for AFL Chemical Union

A year-long conflict between the AFL Chemical Workers' executive board and its president, H. A. Bradley, ended last month when the union's convention elected Edward R. Moffet as its new president, reports the *International Chemical Worker* (AFL). Past President Bradley, who was defeated in his bid for re-election, had been president of the union since its founding ten years ago. The chemical union claims roughly 70,000 members. During the fiscal year ending June 30, 1954, its total income amounted to \$1,145,-808.46—all but \$60,000 from dues. The union's financial report also shows assets of \$921,605.15 and liabilities of \$778,-364.56.

### Seek Audit of Federal Union Funds

To check on administration of welfare and other funds, the AFL Executive Council is seeking a constitutional

<sup>1</sup>See "Unions Issue Financial Report," *Management Record*, June, 1954, p. 238.

change that will require annual audits of federal labor union records, reports the *AFL News-Reporter*. George Meany, AFL president, hopes the AFL's action regarding directly affiliated units will act as a guide to greater supervision of local union funds by AFL internationals.

### Urges Organizing Unity Among Apparel Unions

Four unions in the apparel industries with a claimed membership of one million were urged to pool their organizing resources, reports the *Union Labor Record* (AFL, Missouri). Alex Rose, president of the AFL Hatters and Millinery Workers, made the proposition while speaking before a convention of the AFL's Handbag, Luggage, Belt and Novelty Workers' Union. He pointed out that a combine of their two unions with the AFL's Ladies' Garment Workers' and the CIO's Amalgamated Clothing Workers was needed "to halt the flight of unionized firms into unorganized areas."

### Rubber Union's Finances

The CIO United Rubber Workers' financial statement shows total assets of \$1,753,315.28 and liabilities of \$14-784.46 for the fiscal year ending June 30, 1954. Total income for the year was \$2,139,239.54, from which \$1,894,316.52 was paid out in expenses. The statement does not reflect costs of the recent strikes in the rubber industry. Strike relief payments, for example, are placed at \$51,595.51 for the past fiscal year. During the recent strike, however, *The Rubber Worker* reports union contributions to striking locals at the rate of \$100,000 per week.

### Machinists, Carpenters in Jurisdictional Pact

The long-standing jurisdictional dispute between the AFL Machinists' and Carpenters' unions, which had caused the IAM to leave the AFL on two occasions, was resolved through an agreement between Machinists' President A. J. Hayes, and Carpenters' head Maurice Hutchinson, reports *The Machinist*. Existing bargaining units were not affected by the agreement. In future organizational activities the Machinists are to have jurisdiction over manufacture, installation and maintenance of machinery. In new construction work, however, the Carpenters are given jurisdiction over installation of machinery. The Carpenters also have jurisdiction in installation of certain types of brewery and bottling plant equipment. The pact rules out jurisdictional strikes, and provides for arbitration of disputes.

### CIO Insurance Workers Try for Merger

A merger of CIO, AFL and independent unions in the insurance field is being pushed by the CIO Insurance Workers of America, reports the *Wilmington Labor Herald* (Indiana, Delaware). The proposal is under consideration by the AFL Insurance Agents International Union and several independent unions, of which the International Union of Life Insurance Agents is the largest. Under the CIO union's proposal, the question of whether the newly formed union would affiliate with either the AFL or CIO would be decided through referendum.

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## Review of Labor Statistics

**T**HE BOARD'S revised consumer price index for the United States was practically unchanged from June to July, 1954. In July the index stood at 100.5 (1953=100). This is 0.2% above the level of a year ago as well as the same amount above the previous month.

The transportation and food components were the only ones to show an increase over the month. The index for food, at 100.8, was 0.5% above what it was a month before. Largely responsible for this was the 1.7% increase for dairy products and the 1.3% advance made in fruits and vegetables. Other foods, including fats, oils, sugar and sweets, also showed an upward movement from June to July. These advances more than offset the 0.6% decrease reported for meats, fish and poultry.

Transportation advanced 0.6% to reach 100.2 in July—just about the year-ago level. Although prices for automobile purchase and upkeep showed an upward movement, the 1.4% increase in the rates paid for public transportation was primarily responsible for the increase in this index.

Prices paid for items included in the housing (100.7) and sundries (100.9) components showed little change over the month. However, they were each 0.7% above what they were in July, 1953. The rent index, at 104.5 during July, was 0.4% above what it was in June and 4.2% above the figure of a year earlier. The fuel index dropped 1.2% in July but is still 0.5% above what it was a year ago. The index for housefurnishings and equipment was 98.6, practically unchanged from June. However, this figure represents a 1.3% decline from July, 1953.

Apparel prices also remained at about the June level, but were still 1.1% lower than a year ago. Over the year, men's apparel was down 0.5%, women's apparel was down 1.6%, and clothing materials and services were down 0.9%. The purchasing value of the consumer dollar was 99.5 cents in July (1953 dollar=100 cents). This represents a slight decrease (0.2%) from what it was the previous month.

### EMPLOYMENT

Total employment showed very little change between July and August, as an increase in nonfarm jobs was offset by the usual midsummer dip in the

farm labor force. According to latest estimates of the Bureau of the Census, total employment reached 62.3 million in August.

Total nonagricultural employment, including the self-employed, domestics, and unpaid family workers in family enterprises, rose seasonably to 55.3 million in August, more than 600,000 above the July figure. Most of the additional workers had been reported in agriculture the previous month, or had not been in the labor force. Many of the women added to the non-farm force were domestics. This type of employment dropped in July, probably because so many families were away on vacation.

At 6.9 million, agricultural employment was down by 600,000 from the previous month—an average drop for this time of year. Many farm women temporarily withdrew from the labor force after the cultivation of most major crops.

Unemployment was estimated at 3,245,000 during August. Usually there is an early summer rise in unemployment followed by a sizable drop in August. This year, however, there has been little change for three consecutive months, June, July, and August. The proportion of all unemployed civilian workers remained at 5% in August.

The civilian labor force, which includes both the employed and unemployed, reached 65.5 million in August, an increase of 28,000 over July.

### NONAGRICULTURAL EMPLOYMENT

According to the latest report of the Bureau of Labor Statistics, nonfarm wage and salary employment increased by 180,000 between July and August to reach an estimated 48 million. This total is almost 2 million under a year ago.

Employment in the nation's factories reached 15.9 million in August, about 240,000 higher than in July. Most of the increase was registered in nondurable goods manufacturing and was in line with seasonal expectations. In the nondurable goods sector, more than seasonal gains were recorded in textile mills and apparel plants. The gain in textiles shows a continuation of the improved employment situation in this industry noted since early spring. The August upturn in apparel contrasts with the general down-



trend over the past year. All other nondurable industries, with the exception of printing and petroleum, showed some employment increase over the month. The largest gain, 75,000, was in foods.

In durable goods there was an increase in jobs of about 26,000 between July and August. However, most of the over-the-month employment change fell short of meeting seasonal expectations by a small amount. Only the transportation equipment industry reported a sizable employment loss—33,000 workers—a result of reductions in the automobile industry.

The electrical machinery group showed an employment gain of 32,000 above its usual rise at this time of year.

Nonmanufacturing establishments reduced employment somewhat between July and August 1954. The reduction was larger than in most postwar years, as employment fell more than usual in retail and wholesale trade. Both transportation and mining also declined, although an increase is usual in August.

The construction industry added 40,000 workers to its payrolls between July and August, continuing at the high level which has characterized the industry thus far in 1954.

The employment total in wholesale and retail trade was 10.3 million in August—67,000 less than July.

Employment in service and finance, at 5.6 million and 2.1 million, respectively, was virtually unchanged from July and continued at record levels.

During August, the number of workers on Federal Government payrolls was 2.2 million, the lowest for the month in the past four years. At 4.3 million, state and local government employment was at an all-time high for the month.

### HOURS AND EARNINGS

The average workweek in manufacturing increased by nearly eighteen minutes to 39.7 hours between July and August.

Longer workweeks were reported in most industries. Hours rose sharply in fabricated metals, electrical machinery, textiles, apparel and printing. Only two industry groups—food and tobacco—reported significant decreases.

With the exception of lumber, chemicals, and petroleum, every manufacturing industry showed some over-the-year reduction in hours of work.

Average gross hourly earnings of factory workers (including overtime and other premium pay) were \$1.79 in August, 1 cent under July and 2 cents higher than a year ago. Average hourly earnings in nondurable goods plants dropped 2 cents, primarily as the result of the addition of large numbers of low-wage part-time workers in the food and tobacco industries.

As the result of a longer workweek, average weekly earnings in manufacturing rose 14 cents between July and August to reach \$71.06. In August, 1953, average

weekly earnings were \$71.69. Between July and August of this year, earnings per week in durable goods plants rose 76 cents, while weekly earnings in nondurables dropped by 45 cents to \$64.29. The drop in nondurables was the result of decreased hourly earnings as well as weekly hours in food and tobacco.

### TURNOVER

The hiring rate in the nation's factories rose seasonally between July and August from twenty-nine per 1,000 employees to thirty-three per 1,000. During August, 1953, workers were being hired at the rate of forty-three per 1,000.

The layoff rate of sixteen per 1,000 remained unchanged over the month, as is usually the case between July and August. A year ago it was thirteen per 1,000.

According to reports from the Bureau of Labor Statistics, August was the third consecutive month in which factory hiring and layoff rates have followed the usual seasonal pattern. This contrasted with the situation of late 1953 and early 1954 when layoffs were rising and the hiring rate was dropping.

The increase of four per 1,000 employees in hirings between July and August can be attributed to strong seasonal pickups in the metalworking industry (except ordnance and instruments) and in apparel.

Changes in layoffs between July and August were small and seasonal in nature in most industries. The layoff rate did rise significantly in ordnance, primary metals, food, and miscellaneous manufacturing industry groups, while layoffs fell slightly more than usual in the machinery, textiles, and stone, clay and glass groups.

Factory workers quit their jobs at the rate of thirteen per 1,000 in August, an increase of two per 1,000 over July. Although this is the first important rise in quits since September, 1953, it was considerably smaller than usually occurs between these two months. The quit rate remained at a postwar low for the month.

During August, the total accessions to the factory work force equalled total separations—thirty-three per 1,000 employees. Except for June, when summer hiring was at a seasonal peak, this marked the first time this year that factory hiring equalled total separations.

### WAGE ADJUSTMENTS

The Board confirmed 170 settlements between mid-August and mid-September, involving more than 439,000 wage and salary personnel.

A total of 99,000 members of five unions at various locations throughout the country received the same increase of 2.68%. The largest union affected was the IUE-CIO, 74,000 of whose members benefited.

*(Text continued on page 402)*

# Consumer Price Index—United States

Cities over 50,000 in population

1953 = 100

	All Items	FOOD						HOUSING				
		Total Food	Meat, Fish, Poultry	Cereal, Bakery Products	Dairy Products, Eggs	Fruits, Vegetables	Other Food at Home	Total Housing	Rent	Fuel, Power, Water		
										Total Fuel	Gas	Electricity
1953 January.....	99.9	101.1	102.5	98.5	100.7	104.3	97.4	99.6	97.7	100.0	99.0	100.0
February.....	99.4	99.4	99.2	98.5	98.5	103.5	97.1	99.7	98.1	100.1	99.0	100.0
March.....	99.4	99.2	98.4	98.8	98.8	103.0	97.3	99.8	98.4	100.4	99.5	100.0
April.....	99.3	98.5	97.2	98.9	98.2	101.3	98.4	99.8	98.4	100.2	99.6	100.0
May.....	99.4	98.8	98.3	99.0	97.6	101.1	98.7	99.7	98.5	99.3	99.9	100.0
June.....	99.8	99.6	99.7	99.1	97.9	102.9	98.7	99.9	99.8	99.3	100.1	100.0
July.....	100.3	100.6	101.7	99.5	99.1	102.7	99.2	100.0	100.3	99.5	100.1	100.0
August.....	100.5	101.2	102.7	99.7	100.8	100.4	100.4	100.0	100.7	99.9	100.4	100.0
September.....	100.8	101.7	103.0	101.2	102.7	97.3	102.9	100.2	101.2	100.1	100.6	100.0
October.....	100.6	100.6	100.6	101.9	102.3	94.8	103.2	100.4	102.0	100.3	100.6	100.0
November.....	100.4	99.9	98.7	102.3	102.3	94.7	103.3	100.5	102.3	100.4	100.6	100.0
December.....	100.2	99.3	98.1	102.6	100.6	94.0	103.4	100.5	102.5	100.5	100.6	100.0
Annual Average.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1954 January.....	100.4	99.9	99.1	102.7	99.6	95.5	104.5	100.7	103.1	101.7	103.3	100.0
February.....	100.3	99.4	98.6	103.1	98.2	94.5	105.7	100.9	103.5	101.8	103.4	100.1
March.....	100.2	99.2	98.7	103.1	95.9	94.6	107.3	101.0	103.8	101.8	103.7	100.1
April.....	100.1	99.4	98.9	103.2	93.6	95.5	110.0	100.9	103.9	102.0	104.1	100.7
May.....	100.4	100.4	100.0	103.1	91.4	99.5	112.3	100.8	104.0	101.2	104.3	100.9
June.....	100.3	100.3	99.5	103.0	90.4	99.7	113.7	100.8	104.1	101.2	104.2	100.9
July.....	100.5	100.8	98.9	103.0	91.9	101.0	114.6	100.7	104.5	100.0	101.7	100.9

1953 = 100

	HOUSING (continued)		APPAREL			Transportation	Sundries	Purchasing Value of Dollar	All Items (January, 1939=100)	Purchasing Value of January, 1939 Dollar	All Items (1947-49 = 100)
	Furnishings, Equipment	Other Household Operations	Total Apparel	Men's Apparel	Women's Apparel						
1953 January.....	100.3	99.9	100.0	99.8	100.1	98.6	99.1	100.1	181.4	55.1	113.7
February.....	100.5	99.9	99.9	99.9	99.9	98.5	99.1	100.6	180.5	55.4	113.1
March.....	100.5	99.9	99.9	99.9	100.0	98.7	99.5	100.6	180.5	55.4	113.1
April.....	100.5	100.1	99.9	99.8	100.0	98.9	99.6	100.7	180.3	55.5	113.0
May.....	100.4	100.1	100.0	99.9	100.0	99.2	99.8	100.6	180.5	55.4	113.1
June.....	100.3	100.0	100.0	100.0	100.0	99.4	100.0	100.2	181.2	55.2	113.6
July.....	99.9	100.0	100.0	99.9	100.1	100.3	100.2	99.7	182.1	54.9	114.2
August.....	99.6	100.0	100.0	100.0	100.0	100.5	100.3	99.5	182.5	54.8	114.4
September.....	99.7	100.0	100.1	100.3	100.1	101.5	100.4	99.2	183.1	54.6	114.7
October.....	99.6	100.0	100.2	100.3	100.1	101.5	100.6	99.4	182.7	54.7	114.5
November.....	99.7	100.0	100.1	100.1	100.0	101.4	100.6	99.6	182.3	54.9	114.3
December.....	99.5	100.1	100.0	100.0	99.9	101.4	100.7	99.8	182.0	54.9	114.0
Annual Average.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	181.6	55.1	113.8
1954 January.....	99.3	100.1	99.6	99.6	99.5	101.2	100.9	99.6	182.3	54.9	114.3
February.....	99.5	100.2	99.6	99.5	99.4	100.5	101.0	99.7	182.1	54.9	114.2
March.....	99.5	100.4	99.6	99.7	99.5	99.9	101.1	99.8	182.0	54.9	114.0
April.....	99.0	100.4	99.3	99.7	99.1	99.2	101.0	99.9	181.8	55.0	113.9
May.....	98.8	100.5	99.2	99.6	99.0	99.4	100.9	99.6	182.3	54.9	114.3
June.....	98.5	100.2	99.1	99.4	98.8	99.6	100.9	99.7	182.1	54.9	114.2
July.....	98.6	100.2	98.9	99.4	98.5	100.2	100.9	99.5	182.5	54.8	114.4

# Consumer Price Index—United States

Annual averages 1914-1953<sup>a</sup>

1953 = 100

Year	All Items	Purchasing Value of Dollar	Year	All Items	Purchasing Value of Dollar	Year	All Items	Purchasing Value of Dollar	Year	All Items	Purchasing Value of Dollar
1914.....	40.3	248.1	1924.....	66.1	151.3	1934.....	51.8	193.1	1944.....	69.1	144.7
1915.....	40.0	250.0	1925.....	67.8	147.5	1935.....	53.6	186.6	1945.....	70.2	142.5
1916.....	43.0	232.6	1926.....	68.3	146.4	1936.....	54.8	182.5	1946.....	74.9	133.5
1917.....	51.3	194.9	1927.....	66.9	149.5	1937.....	57.2	174.8	1947.....	84.7	118.1
1918.....	59.5	168.1	1928.....	65.9	151.7	1938.....	55.7	179.5	1948.....	90.1	111.0
1919.....	67.6	147.9	1929.....	65.6	152.4	1939.....	55.0	181.8	1949.....	88.8	112.6
1920.....	77.8	128.5	1930.....	63.4	157.7	1940.....	55.4	180.5	1950.....	90.0	111.1
1921.....	66.8	149.7	1931.....	57.0	175.4	1941.....	58.3	171.5	1951.....	97.0	103.1
1922.....	63.6	157.2	1932.....	50.9	196.5	1942.....	64.5	155.0	1952.....	99.5	100.5
1923.....	65.4	152.9	1933.....	49.0	204.1	1943.....	68.2	146.6	1953.....	100.0	100.0

<sup>a</sup> Indexes from 1914 through 1919 are for the month of July only and are not annual averages.



# Consumer Price Index

## Cities Surveyed Monthly<sup>1</sup>

## Cities Surveyed Quarterly<sup>1</sup>

	Index Numbers, 1953 = 100			Percentage Changes			Index Numbers, 1953 = 100			Percentage Changes	
	July 1954	June 1954	July 1953	June 1954 to July 1954	July 1953 to July 1954		July 1954	April 1954	July 1953	April 1954 to July 1954	July 1953 to July 1954
<b>Birmingham</b>						<b>Bridgeport</b>					
All Items.....	100.7	99.9	100.6	+0.8	+0.1	All Items.....	101.1	100.1	100.4	+1.0	+0.7
Food.....	102.0	100.0	102.5	+2.0	-0.5	Food.....	104.2	101.2	100.4	+3.0	+3.8
Housing.....	100.6	100.3	99.7	+0.3	+0.9	Housing.....	99.6	99.8	100.0	-0.2	-0.4
Apparel.....	99.3	99.1	99.9	+0.2	-0.6	Apparel.....	99.4	99.5	100.6	-0.1	-1.2
Transportation.....	99.0	98.4	100.5	+0.6	-1.5	Transportation.....	98.7	97.8	100.8	+0.9	-2.1
Sundries.....	101.4	101.1	100.0	+0.3	+1.4	Sundries.....	101.0	100.9	100.5	+0.1	+0.5
<b>Boston</b>						<b>Cincinnati</b>					
All Items.....	99.8	99.2	100.3	+0.6	-0.5	All Items.....	100.5	100.0	100.6	+0.5	-0.1
Food.....	100.9	99.5	100.7	+1.4	+0.2	Food.....	101.0	100.4	100.9	+0.6	+0.1
Housing.....	99.1	99.1	99.9	0	-0.8	Housing.....	100.9	101.3	100.0	-0.4	+0.9
Apparel.....	97.7	98.3	100.0	-0.6	-2.3	Apparel.....	98.6	99.0	100.1	-0.4	-1.5
Transportation.....	98.0	97.0	100.5	+1.0	-2.5	Transportation.....	98.9	96.7	101.2	+2.3	-2.3
Sundries.....	101.1	100.7	100.3	+0.4	+0.8	Sundries.....	101.2	100.9	100.7	+0.3	+0.5
<b>Chicago</b>						<b>Erie</b>					
All Items.....	102.2	101.2	100.7	+1.0	+1.5	All Items.....	100.5	100.7	100.3	-0.2	+0.2
Food.....	102.4	101.5	102.6	+0.9	-0.2	Food.....	100.2	100.9	100.9	-0.7	-0.7
Housing.....	103.9	102.7	99.7	+1.2	+4.2	Housing.....	101.1	101.2	99.9	-0.1	+1.2
Apparel.....	98.8	99.0	99.5	-0.2	-0.7	Apparel.....	100.4	101.0	99.9	-0.6	+0.5
Transportation.....	101.3	98.0	100.7	+3.4	+0.6	Transportation.....	97.6	97.1	100.0	+0.5	-2.4
Sundries.....	102.1	102.0	100.1	+0.1	+2.0	Sundries.....	102.3	102.0	100.2	+0.3	+2.1
<b>Denver</b>						<b>Grand Rapids</b>					
All Items.....	101.0	101.0	100.6	0	+0.4	All Items.....	101.0	100.4	100.3	+0.6	+0.7
Food.....	102.5	102.4	101.5	+0.1	+1.0	Food.....	103.2	101.2	101.0	+2.0	+2.2
Housing.....	101.1	101.2	99.9	-0.1	+1.2	Housing.....	100.9	101.0	99.9	-0.1	+1.0
Apparel.....	99.7	99.8	99.9	-0.1	-0.2	Apparel.....	100.1	100.4	100.1	-0.3	0
Transportation.....	100.4	100.4	101.7	0	-1.3	Transportation.....	98.7	98.0	99.6	+0.7	-0.9
Sundries.....	99.3	99.3	100.4	0	-1.1	Sundries.....	99.8	100.1	100.5	-0.3	-0.7
<b>Detroit</b>						<b>Minneapolis-St. Paul</b>					
All Items.....	100.8	100.8	100.5	0	+0.3	All Items.....	100.7	100.2	100.3	+0.5	+0.4
Food.....	101.8	101.7	101.1	+0.1	+0.7	Food.....	100.2	99.4	100.2	+0.8	0
Housing.....	101.0	101.0	99.9	0	+1.1	Housing.....	101.6	101.2	99.8	+0.4	+1.8
Apparel.....	99.5	99.7	100.1	-0.2	-0.6	Apparel.....	100.5	99.8	100.1	+0.7	+0.4
Transportation.....	98.7	98.7	101.2	0	-2.5	Transportation.....	100.4	99.4	101.2	+1.0	-0.8
Sundries.....	101.3	101.3	100.0	0	+1.3	Sundries.....	100.4	100.3	100.5	+0.1	-0.1
<b>Houston</b>						<b>New Orleans</b>					
All Items.....	100.0	99.9	100.4	+0.1	-0.4	All Items.....	102.7	102.0	100.8	+0.7	+1.9
Food.....	100.2	100.1	100.1	+0.1	+0.1	Food.....	105.3	103.6	102.1	+1.6	+3.1
Housing.....	101.1	101.0	99.9	+0.1	+1.2	Housing.....	101.6	101.6	99.8	0	+1.8
Apparel.....	99.5	99.5	100.3	0	-0.8	Apparel.....	100.1	100.4	99.9	-0.3	+0.2
Transportation.....	98.1	98.1	100.3	0	-2.2	Transportation.....	99.9	98.0	100.5	+1.9	-0.6
Sundries.....	100.0	99.7	101.5	+0.3	-1.5	Sundries.....	103.2	103.5	100.5	-0.3	+2.7
<b>Indianapolis</b>						<b>Newark-N.E.N.J.</b>					
All Items.....	100.2	100.1	100.5	+0.1	-0.3	All Items.....	99.9	98.9	100.1	+1.0	-0.2
Food.....	99.9	99.5	101.7	+0.4	-1.8	Food.....	101.6	100.0	100.5	+1.6	+1.1
Housing.....	101.3	101.1	99.8	+0.2	+1.5	Housing.....	99.3	99.2	99.8	+0.1	-0.5
Apparel.....	98.0	97.9	99.7	+0.1	-1.7	Apparel.....	97.6	98.2	100.2	-0.6	-2.6
Transportation.....	98.1	98.1	100.9	0	-2.8	Transportation.....	98.2	94.5	99.8	+3.9	-1.6
Sundries.....	101.9	102.0	99.9	-0.1	+2.0	Sundries.....	100.2	100.1	100.2	+0.1	0
<b>Los Angeles</b>						<b>Roanoke</b>					
All Items.....	99.7	99.9	100.6	-0.2	-0.9	All Items.....	99.5	98.8	100.3	+0.7	-0.8
Food.....	97.5	98.1	100.8	-0.6	-3.3	Food.....	100.6	98.0	100.8	+2.7	-0.2
Housing.....	100.0	100.9	100.3	-0.9	-0.3	Housing.....	100.1	100.3	99.8	-0.2	+0.3
Apparel.....	99.9	99.6	100.2	+0.3	-0.3	Apparel.....	97.5	97.9	100.4	-0.4	-2.9
Transportation.....	101.3	99.8	101.6	+1.5	-0.3	Transportation.....	98.3	97.1	100.1	+1.2	-1.8
Sundries.....	100.6	101.3	100.0	-0.7	+0.6	Sundries.....	99.1	99.2	100.4	-0.1	-1.3
<b>New York</b>						<b>Seattle</b>					
All Items.....	100.5	100.4	100.5	+0.1	0	All Items.....	100.3	99.8	100.1	+0.5	+0.2
Food.....	99.0	98.5	101.1	+0.5	-2.1	Food.....	101.2	100.4	99.6	+0.8	+1.6
Housing.....	101.3	101.4	101.0	-0.1	+0.3	Housing.....	100.3	100.1	100.2	+0.2	+0.1
Apparel.....	98.2	98.6	100.0	-0.4	-1.8	Apparel.....	98.4	98.9	100.3	-0.5	-1.9
Transportation.....	108.0	108.0	97.7	0	+10.5	Transportation.....	98.9	98.0	100.6	+0.9	-1.7
Sundries.....	100.3	100.3	100.2	0	+0.1	Sundries.....	101.4	100.4	100.1	+1.0	+1.3
<b>Philadelphia</b>						<b>Syracuse</b>					
All Items.....	100.1	99.8	100.8	+0.3	-0.7	All Items.....	100.6	100.0	100.6	+0.6	0
Food.....	101.1	100.0	102.3	+1.1	-1.2	Food.....	101.4	99.8	101.6	+1.6	-0.2
Housing.....	99.1	99.0	99.8	+0.1	-0.7	Housing.....	99.8	100.0	100.1	-0.2	-0.3
Apparel.....	98.6	98.4	100.0	+0.2	-1.4	Apparel.....	99.2	99.1	100.0	+0.1	-0.8
Transportation.....	100.9	102.2	101.0	-1.3	-0.1	Transportation.....	99.0	98.1	99.9	+0.9	-0.9
Sundries.....	100.6	100.6	100.3	0	+0.3	Sundries.....	102.3	102.4	100.6	-0.1	+1.7

<sup>1</sup>These indexes show changes in consumer prices only. They do NOT show intercity differences in price level or standards of living.

Settlements in the communications industry included three companies. CIO Communications Workers at the Ohio Bell Telephone Co., Ohio Consolidated Telephone Co., and the Rochester Telephone Co. in Rochester, New York, received increases of \$1 to \$2.50 per week, 4½ cents per hour, and 4 3/10 cents per hour, respectively.

At Bethlehem Steel, 79,000 CIO Steelworkers, the largest number for any one union, received a 5 cents per hour increase.

At the Granite City Steel Co., in Granite City, Illinois, CIO Steelworkers, AFL Chemical Workers, AFL Hod Carriers and the AFL Boilermakers were granted a 5 cents per hour increase and the following fringe benefits: the minimum monthly pension for an employee with thirty years of continuous service was raised to \$140; contributions to the group insurance plan were increased by the company from 25 cents to 45 cents per week, with an increased employee contribution. The AFL Chemical Workers received the pension increase mentioned; however, the union gave up pay for jury duty and a part of their overtime paid lunches.

The largest increase reported—13 cents per hour—was given by General Mills, Inc. in Toledo, Ohio.

The raise most frequently granted to wage earners this month was 5 cents per hour.

HARRIET BAKER  
JAMES F. BIRD  
*Statistical Division*

## Organization Planning

*(Continued from page 373)*

Two factors need to be considered in effective delineation of authority and responsibility. These are:

*Authority and responsibility should be spelled out in writing.* This is usually done in the form of a written position description which delineates the basic function, the scope and the specific duties of the position. Taken together, the position descriptions for a company constitute an analysis of the total task of the organization.

Many companies have discovered that the time and expense necessary for the preparation of position descriptions suitable for organization planning purposes are excellent investments. Standard Oil Company of California, for instance, issues position descriptions for organization planning purposes which it calls management guides. These cover all supervisory and management positions. Recently this company has also developed executive guides, which apply to the positions of corporate executives. Standard of California finds that the written description gives management

a clear picture of how responsibility for every activity has been delegated, and, just as important, who is to be held accountable for its accomplishment. When an executive wants to know through which channels a problem should be pursued and coordinated, the written description tells him exactly where to go. When he wants to determine the capabilities of his organization so far as a particular task is concerned, the manager again finds the position description a ready-made yardstick.

Written position descriptions provide an excellent basis for organization analysis. They show quickly whether there is continuing need for a specific position or whether it should be modified, enlarged or eliminated. Overlap and duplication can readily be spotted by comparison of the responsibilities of various positions.

*Each job incumbent should fully understand his duties.* In some cases, this is accomplished by having the incumbent prepare his own position description and then reconcile it with his boss. In other instances, all the supervisors in an organization unit discuss their duties in group meetings. This frequently brings to light a great deal of misunderstanding and misinformation which is readily cleared up. Once a person knows his own job and that of the people he works with, he has freedom to operate to the full of his capacities within his own area but he is prevented from intruding on the area assigned to another.

### ESTABLISHMENT OF RELATIONSHIPS

The end product of organization is teamwork—people working effectively together. This involves more than setting up jobs and making sure that everybody knows his duties. It requires that the relationships among jobs be clearly defined so that every man will know what he must do to ensure consistent, balanced movement toward company objectives.

Establishing relationships in the organization really amounts to developing rules for teamwork. This depends in large part upon an understanding of such factors as those outlined below.

*Clear distinction should be made between line and staff relationships.* Basically, the difference between line and staff positions is the difference between direction and suggestion. Line is the operating function—it has the right to command. For example, the Koppers Company has a carefully planned line and staff organization. As Koppers sees it, the function of the line organization is the actual execution of the company's plans and policies and the production and sale of materials and services.

Staff is advisory to line. It may provide service. In some companies, staff agencies develop and even administer controls—methods for measuring the effectiveness of the line operation. Koppers specifies



that the function of staff is to advise, counsel, guide and assist the line official in accomplishing his objectives. In a sense, the staff official works for the line.

However, the relationship between line and staff is not a simple one. Friction often occurs. In some cases, staff departments, particularly under aggressive leadership, may cease to exist primarily as a service to the line organization and may develop elaborate programs which are not necessary to accomplish the company objectives. On the other hand, it is only logical for operating departments to use staff services when they are available. The Atlantic Refining Company, for example, has highly qualified staff specialists who are responsible for making available advice, counsel, information and research to line components. Atlantic Refining gives the operating manager the authority to accept, modify or reject such advice. However, if he decides he does not want to go along with a staff recommendation, the line manager is responsible for so notifying the staff department. This gives the staff manager a chance to discuss the matter further or to appeal to higher authority if necessary. In any case, the line manager is responsible for the execution of the plan that he finally adopts, no matter what part the staff unit plays in its development.

Sometimes poor relationships exist among line and staff because the line organization finds it difficult to accept the fact that staff may be assigned control responsibilities. In other words, staff evaluates the results accomplished by the line organization. However, company experience indicates that this danger can be eliminated by proper handling. In the Koppers Company, for example, the control section, a staff department, conducts organization studies for control purposes. Koppers finds that good relationships are maintained by giving the line manager first shot at the control report on his operation. He is given time to go over it with his subordinates, then he discusses it with the control section. This gives the line executive an opportunity to refute, debate, or disagree with the recommendations of the report. He then has an opportunity to take corrective action on those findings he agrees with. The report reaches the president for action only in those cases where mutual agreement is not possible at the lower levels. This approach leaves the command decision with the line, but makes it easy for both staff and line to do their jobs with understanding and respect for their respective roles.

The factors which affect line-staff relationships can be identified. There are conditions which affect the willingness of the man with line authority to accept advice. There are other conditions which may alter the character of the information he receives. For example, the personnel manager who wants to secure

acceptance of a new incentive plan from a line manager seldom succeeds solely through the appeal of logic. He accomplishes more if he can make his proposal in terms of the line manager's particular wants and needs.

*Both superior and subordinate should recognize the obligations of their relationship.* A great deal of friction and frustration often arises because the boss and the people who work for him do not understand the nature of the ties that bind them. For instance, the relationship between the personnel manager and his salary administrator exists because the personnel manager has entrusted the performance of his responsibilities in salary administration to his subordinate. The personnel manager is still accountable to higher authority for salary administration. Therefore he can be called to account for anything the salary administrator does. If there is to be good teamwork between the two, both the boss and his subordinate must observe certain obligations.

Many companies point out that good reporting relationships will not exist if a subordinate has to go through a line assistant to get to his boss. This situation most often occurs when the assistant does not have definite areas of responsibility. He is used as a buffer. Under these circumstances, information that gets to the top man is necessarily diluted and colored in terms of the assistant's ideas and beliefs.

Since the senior is accountable to higher authority for everything that goes on in the department, the people who work for him have an obligation to keep him fully informed. The manager at a lower level safeguards the interests of his boss by acquainting him with disagreements that may spread to other units, by making recommendations for changes in policies or operations, and by keeping him informed if predetermined standards or programs are not being reached.

*The relationship of committees to the rest of the organization should be clearly established.* The committee system is a convenient method of bringing several heads together for the purpose of giving the boss expert advice and assistance in making decisions. However, many companies report unfavorable experience with committees. Instead of helping the boss, they may add to his confusion by presenting him with a welter of conflicting opinions and ideas which he must reconcile before he can make his decision. The reason for these failures frequently is lack of understanding of the organizational principles that should be followed in appointing and using a committee.

Committees are generally considered consultative and advisory bodies. Since responsibility is unitary, most companies feel that an executive should not appoint a committee to share his responsibility. As

Bigelow-Sanford Company points out, committees do not relieve anyone of his responsibility to discharge the job assigned to him. Committees are not usually regarded as decision-making bodies. They can be of greatest service to a responsible executive by reviewing problems and helping coordinate matters which affect several departments or divisions.

Committees are not fact-gathering agencies. Most executives with experience emphasize that all members of a committee should come to the meeting well informed about the subjects to be discussed. They should have thought the matter through sufficiently to have already arrived at their own tentative solutions. As Bigelow-Sanford puts it, a committee meeting is no place for a man to divest himself of the responsibilities of his job by dumping his problems in the laps of his fellow members.

These are some of the considerations that are important to an understanding of organization planning as a tool of management. Sound organization ensures that a man will have work to do that is a

logical and necessary contribution to the objectives of the enterprise. It helps him to know and understand the nature and extent of his task and provides a framework for effective teamwork.

However, organization planning is no panacea. It cannot be regarded as an activity separate from the total job of management. Organization planning does not seem to be effective if it is taken off in a corner and worked out as a "program." Most companies feel it must be properly used with other administrative tools. Organization planning needs to be preceded by determination of long-range objectives and clear-cut enunciation of policies. It needs to be supported by proper procedures. Above all, the people of the company require education in the proper understanding, appreciation and use of organization policies and principles so that sound organization planning may become part of their day-to-day operations.

LOUIS A. ALLEN

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## Comments May Be Revealing, Too

AFTER AN attitude survey has been made and the results are in, attention often is focused on the statistical findings. Naturally the company is interested in learning what per cent of the employees like their jobs, what per cent feel the retirement plan is adequate, what per cent think the cafeteria prices are too high, and so on.

Undoubtedly, the various tables and percentages obtained from a survey are significant, but there may be other important findings, too. An "open" section or write-in space is provided on most survey questionnaires where the employee is invited to express his feelings, whether favorable or unfavorable, about any subject connected with his job or with the company. Over half the employees are likely to contribute comments if the opportunity is given them.

A total of 21,940 comments were received by the Southern California Gas Company at the time of its 1953 survey. There were three favorable comments for every two that were unfavorable.

The company feels it learned a lot from these spontaneous remarks. One of the executives sums it up in the following way:

"The figures alone are cold. They come alive and take on meaning when viewed along with the comments. We have studied the comments as carefully as we have studied the tables. From many of the statements we have gained insight into how our employees think—and why. We

regard the write-in part of the survey as of great significance."

A number of the comments were reproduced in a recent issue of the employees' newspaper. A sampling of these may help show their value to the company's management.

"I feel that if I had a more or less personal problem that I couldn't solve, the company would try to assist me."

"I've always had understanding and helpful supervisors."

"They never give me enough work to keep busy and yet expect me to look busy."

"Their selection of employees makes cheerful and pleasant working conditions."

"The company gave me every opportunity to advance myself."

"They wait until you are ready for the grave, then give you a watch that will last a lifetime."

"I do not understand clearly how management picks persons for promotional jobs."

"On the whole, compared with many other jobs, I am happy and contented in working for Southern California Gas Company. Just could use a little more money."

"I've worked a hell of a lot harder for a hell of a lot less."

"Medical plan inadequate."

"The outstanding points I like best are the comparative freedom you have once you leave the base. You have a duty to perform and how you do it is up to you. You can work hard and have leisure time, or work moderately and still get the job done."



# Wage Adjustments Announced Prior to September 15, 1954

Company	Union(s)	Number and Type of Employees Affected*	Effective Date	Amount of Adjustment	Fringe Benefits**	Remarks
<i>Apparel</i>						
Association of Knitted Fabric Manufacturers, Inc. New York, N. Y.	ILGWU, AFL	800 WE (approx.)	7-15-54	Reduction from 40 hour week to 37½ hour week; same weekly pay	1½% additional to retirement fund	Settlement result of contract expiration Length of contract—4 years
<i>Chemicals and Allied Products</i>						
American Potash & Chemical Corp. Trona, Calif.	District 50, UMW, ind.	n.a. WE	6-1-54	Increases varied from \$.10 to \$.16 per hr.	(1) Contributory group hospital and surgical insurance program improved for employees and dependents (2) Double time after 16 consecutive hrs. of work	Contract runs to 12-1-56 Wage reopening 11-1-55
Buckeye Cotton Oil Co. Jackson, Miss.	Retail, Wholesale & Department Store Union, CIO	135 WE	7-26-54	\$.035 per hr. av.	None	Settlement result of contract expiration Length of contract—1 year
Columbia-Southern Chemical Corp. Barberton, Ohio	Allied Chemical & Alkali Workers, ind.	1,500 WE	6-28-54	\$.06 per hr. av.	(1) Jury duty pay (2) 3 day death benefits (3) Daily hospitalization benefits raised to \$13; \$3 in-hospital medical plan added	Contract expires 6-28-55
Consolidated Printing Ink Co., Inc. St. Paul, Minn.	Gas, Coke & Chemical Workers, CIO	21 WE	7-1-54	\$.117 per hr. av.	Second shift premium increased from \$.06 to \$.09; third shift premium increased from \$.12 to \$.17	Settlement result of contract expiration Length of contract—1 year
Food Machinery & Chemical Corp. Lansing, Mich. John Bean Div.	UAW, CIO	325 WE	8-26-54	\$.05 per hr. av.	None	Settlement result of wage reopening Contract expires 8-26-55
Vernon, Calif. Mechanical Foundries Div.	Molders, AFL	203 WE	7-1-54	\$.04 per hr. av.	Increased Blue Cross and hospital benefits; increased pay for lost-time injuries	Contract expires 7-1-55 Wage reopening 1-1-55
Woodstock, Va. John Bean Div. Grabill Plant	None	12 WE	7-1-54	\$.05 per hr. av.	None	Expiration date indefinite
Los Angeles, Calif. Peerless Pump Div.	Steelworkers, CIO	188 WE	8-10-54	\$.04 per hr. av.	None	Contract expires 8-10-55
Tipton, Ind. Packing Equipment Div.	Steelworkers, CIO	162 WE	9-6-54	\$.03 per hr. av.	Increased insurance plan	Contract expires 9-6-55
Hayden Chemical Corp. Garfield, N. J.	Gas, Coke & Chemical Workers, CIO	248 WE	7-2-54	\$.06 per hr. av.	None	Settlement result of contract expiration Length of contract—1 year
	Same as above	20 S	Same as above	\$2.40 per wk. av.	None	Same as above
Interchemical Corp. Newark, N. J.	District 50, UMW, ind.	75 WE	7-1-54	\$.08 per hr. av.	(1) Vacation allowance: 11 days—11 yrs.; 12 days—12 yrs.; etc. up to 3 wks. for 15 yrs. (2) If employee works overtime, at least 1 hr. is guaranteed (3) Pay for Saturday holidays	Settlement result of contract expiration Length of contract—1 year
Liberty Powder Defense Corp. Baraboo, Wisc.	Guards Union, ind.	n.a.	6-1-54	None	New call-in time: Employees required to report for work outside of their regular schedules and shifts, shall receive not less than the equivalent of 4 hrs. straight-time pay	Same as above
Oldbury Chemical Co. Niagara Falls, N. Y.	District 50, UMW, ind.	350 WE	6-7-54	\$.03 per hr. general increase; plus \$.04 second shift premium	(1) Shift premium now 0—\$.16—\$.18 (2) Increased maximum wks. disability to \$55; dependents included in medical insurance; X-ray and anesthesia added to insurance program (3) Pay for jury duty—difference between wages and jury pay (4) Good Friday added as seventh paid holiday	Settlement result of contract expiration Length of contract—2 years Wage reopening 6-7-55

# Wage Adjustments Announced Prior to September 15, 1954—Continued

Company	Union(s)	Number and Type of Employees Affected*	Effective Date	Amount of Adjustment	Fringe Benefits**	Remarks
Pennsylvania Salt Co. Portland, Ore.	Chemical Workers, AFL; Metal Trades Council, AFL	n.a. WE	7-11-54	\$0.065 per hr. av., with variations from \$.055 to \$.085	None	Settlement result of contract expiration Length of contract—1 year to 8-11-55
Penobscot Chemical Fibre Co. Great Works, Me.	Pulp, Sulphite & Paper Mill Workers, AFL	527 WE	6-28-54	\$.04 per hr. av.	None	Settlement result of contract expiration Length of contract—1 year
	None	54 S	7-1-54	2.67%	None	
Sherwin-Williams Co. Cleveland, Ohio	District 50, UMW, ind.	430 WE	7-1-54	\$.05 per hr. av.	Day before Christmas as additional holiday	Settlement result of contract expiration Length of contract—2 years Wage reopening 6-30-55
Stauffer Chemical Co. Richmond, Calif.	Mine, Mill & Smelters Workers, ind.	n.a. WE	7-1-54	\$.07 per hr. av.	(1) Double time and one half for work on holiday (2) Pay for jury duty—difference between jury duty and regular wages	Settlement result of contract expiration Length of contract—1 year
Virginia-Carolina Chemical Co. Birmingham, Ala. (1 local)	District 50, UMW, ind.	75 WE (approx.)	6-1-54	\$.02 per hr. av.	None	Same as above
(2nd local)	Same as above	30 WE (approx.)	7-1-54	\$.05 per hr. av.	None	Same as above
<i>Communications</i>						
Ohio Bell Telephone Co. Cleveland, Ohio	Communications Workers, CIO	14,100 WE	8-22-54	Increases vary from \$1 to \$2.50 per wk. for plant craft employees; \$1 to \$1.50 per wk. for operators and clerical employees	None	Settlement result of contract expiration Length of contract—1 year
Ohio Consolidated Telephone Co. Ohio	Communications Workers, CIO	721 WE	7-15-54	\$.045 per hr. av.; plus \$.01 per hr. in fringes		Settlement result of contract expiration Length of contract—1 year Wage reopening upon 60 days' written notice prior to 7-15-55
Rochester Telephone Co. Rochester, N. Y.	Communications Workers, CIO	700 WE	6-17-54	\$.048 per hr. av.	None	Length of contract—1 year
<i>Construction</i>						
The Lummus Co. Honesdale, Pa.	IAM, AFL	250 WE (approx.)	7-1-54	\$.06 per hr. av.	None	Settlement result of contract expiration Length of contract—1 year Wage reopening 7-1-55
<i>Electrical Machinery</i>						
Clarostat Manufacturing Co., Inc. Boston, Mass.	IUE, CIO	800 WE	8-1-54	\$.02 for certain female employees	None	Settlement result of contract expiration Length of contract—1 year
Diehl Manufacturing Co. FINDERNE, N. J.	Diehl Employees Union, ind.	2,000 WE	6-13-54	None	3 days with pay for death in immediate family	Settlement result of contract expiration Length of contract—1 year Wage reopening 2-1-55
Electrical Machinery Manufacturing Co. Minneapolis, Minn.	IUE, CIO	n.a. WE	6-1-54	2.68%	None	Settlement result of contract expiration Length of contract—15½ mos.
	None	n.a. S	6-1-54	2.68%	None	None
	IAM, AFL	n.a. WE	6-1-54	2.68%	None	Settlement result of contract expiration Length of contract—15½ mos.
General Electric Co. Interstate	IUE, CIO	74,000 WE	8-2-54	2.68%	Listed paid holidays falling on Saturday treated as falling on the preceding Friday	Contract runs to 9-15-55
	UE, ind.	21,000 WE	7-2-54	2.68%	Same as above	Same as above
Hanford, Wash.	Metal Trades Council, AFL	3,400 WE	6-10-54	2.68%	Same as above	Contract runs to 9-30-55
Louisville, Ky.	Firemen and Oilers, AFL	16 WE	6-1-54	2.68%	Same as above	Contract runs to 9-15-55
Fort Wayne, Ind.	IAM, AFL	800 WE	6-1-54	2.68%	Same as above	Same as above
Leland Electric Co. Dayton, Ohio	IUE, CIO	1,000 WE	7-1-54	n.a.	Pension plan	Length of contract—3 years



# Wage Adjustments Announced Prior to September 15, 1954—Continued

Company	Union(s)	Number and Type of Employees Affected*	Effective Date	Amount of Adjustment	Fringe Benefits**	Remarks
Liberty Bell Manufacturing Co. Minerva, Ohio	Mechanics Educational Society, ind.	110 WE	7-28-54	Total increase of \$.035. \$.05 per hr. across the board; \$.035 for fringe benefits	\$.035 for 6 paid holidays	First contract Length of contract—1 year
Picker X-Ray Co. Waite Manufacturing Division Inc. Cleveland, Ohio	UE, ind.	355 WE	6-4-54	\$.04 per hr. plus \$.01 per hr. to be reserved to apply against job re-evaluation	3 days' pay for death in immediate family	Settlement result of contract expiration Length of contract—1 year
Westinghouse Electric Corp. Interstate	UE, ind.	15,000 WE & S	7-1-54	\$.05 per hr. av.; increases vary from \$.035 to \$.07 per hr.	Increased pension from \$1.60 to \$1.70 per mo. for each yr. of continuous service to maximum of 30 yrs.	Settlement result of contract expiration Contract runs to 10-15-54
	None	Included in above figure	7-1-54	\$.05 per hr. av.; increases vary from \$1.40 to \$2.30 per wk.	Same as above	
<i>Fabricated Metal Products</i>						
Babcock & Wilcox Co. Barberton, Ohio	Federal Labor Union, AFL	3,200 WE	7-5-54	\$.05 per hr. av.	None	Settlement result of wage reopening Length of contract—2 years
Eckeler Co. Williamsport, Pa.	IUE, CIO	183 WE	7-16-54	\$.04 per hr. av.	None	Settlement result of contract expiration Length of contract—1 year Wage reopening 1-15-55
Morrison Steel Products Inc. Buffalo, N. Y.	Steelworkers, CIO	375 WE	7-12-54	\$.025 effective 8-2-55	(1) Seventh paid holiday added (2) Increased hospital & surgical coverage (3) Coverage to dependents on reduced scale	Settlement result of contract expiration Length of contract—2 years, 4 mos. Contract expires 11-30-56
Buffalo, N. Y.	None	50 S	n.a.	None	Same as above	
C. W. Olson Manufacturing Co. Minneapolis, Minn.	UE, ind.	88 WE	6-1-54 9-1-54	\$.05 per hr. av. \$.02 per hr. av.	None	Settlement result of wage reopening Length of contract 6-1-53 to 6-1-55
Rheem Manufacturing Co. Houston, Tex., Linden, N. J. Sparrows Point, Md.	Steelworkers, CIO	1,250 WE	8-1-54	\$.05 per hr. av.	None	Settlement result of contract expiration Length of contract extended to 7-31-55
Virginia Metals Products Co. Orange, Va.	Federal Labor Union, AFL	423 WE	7-19-54	\$.05 per hr. av. (approx.)	4 additional paid holidays	Settlement result of contract expiration Length of contract—2 years
<i>Food and Kindred Products</i>						
Cream of Wheat Corp. Minneapolis, Minn.	Grain Millers, AFL	106 WE	1-20-54	\$.08 per hr. av.	None	Settlement result of wage reopening Contract runs from yr. to yr. unless terminated by either party
General Mills, Inc. Wichita, Kan.	Grain Millers, AFL	112 WE	4-5-54 6-14-54	\$.03 per hr. av.; \$.05 per hr. av.	None	
Spokane and Tacoma, Wash.	Same as above	233 WE	7-1-54	\$.065 per hr. av.	None	
Toledo, Ohio	Same as above	100 WE	3-1-54 7-12-54	\$.13 per hr. av.; \$.02 per hr. av.; increases are over original "shake-down" rates and bring rates up to other General Mills plant in area	None	New agreement for new plant
Chicago, Ill. Cereal and Flour plant	Same as above	550 WE	6-15-54	\$.075 per hr. av.	None	None
Minneapolis, Minn. Flour and Feed plant	Same as above	500 WE	7-1-54	\$.07 per hr. av.	None	None
<i>Insurance</i>						
Monumental Life Insurance Co. Ohio	Insurance Workers, CIO	222 agents on commission basis	6-30-54	No increase; liberalizations given for payment and calculation of commissions	(1) Reporting day now 2 days per wk. (2) Vacation commission credit granted based on av. commissions for yr. (3) Increased retirement benefits	Settlement result of contract expiration Length of contract—30 mos. from 6-30-54
Baltimore, Ohio	Insurance Agents International Union, AFL	225 agents on commission basis	7-23-54	Same as above	Same as above	Settlement result of contract expiration Length of contract from 7-23-54 to 1-31-57

# Wage Adjustments Announced Prior to September 15, 1954—Continued

Company	Union(s)	Number and Type of Employees Affected*	Effective Date	Amount of Adjustment	Fringe Benefits**	Remarks
Sun Life Insurance Co. of America Washington, D. C. Arlington, Va. Cleveland, Ohio Chicago, Ill.	Insurance Agents, AFL	178 life insurance debit agents	6-2-54	Second yr. commission increased by 5% & 3% on specified ordinary policies; gasoline allowance liberalized; minimum weekly collection commission increased from \$32 to \$35 per wk. with \$40 possible, based on accomplishments	(1) Death benefits up to age 65 increased from \$3,000 to \$4,000 (2) Blue Cross & Blue Shield coverage	Settlement result of contract expiration Length of contract—2½ years
<i>Leather and Leather Products</i> International Shoe Co. Malvern, Ark.	Textile Workers, AFL	250 WE	8-1-54	None	(1) Weekly accident & health insurance paid by company for employees (2) Hospital & surgical insurance of \$8.25 per mo. for 1 or more dependents	Settlement result of contract expiration Length of contract from 2-16-54 to 2-15-56, with provisions for annual renewal
<i>Longshoring and Warehousing</i> Pacific Maritime Assoc. All West Coast ports	Longshoremen & Warehousemen, ind.	16,000 WE	6-14-54	None	(1) Vacation benefits liberalized to give 3 wks. vacation to longshoremen employed 12 yrs. or more (2) Agreed to expend a portion of surplus in ILWU-PMA Welfare Fund, not to exceed \$750,000, for a pilot dental program for children of registered longshoremen between ages of 4 and 14	Settlement result of wage review Length of contract to 6-15-56; or by mutual agreement to 9-30-56 Wage reopening 6-15-56; or by mutual agreement on 9-30-55
<i>Lumber and Wood Products</i> Hinchey Manufacturing Co. Washington, Ind.	Upholsterers, AFL	80 WE	1-25-54	3% (approx.)	3 paid holidays	Settlement result of contract expiration Length of contract—1 year
Weyerhaeuser Timber Co. Klamath Falls, Ore.	Woodworkers, CIO	n.a. WE	7-21-54	Renewal of prior agreement without change	None	None
<i>Machinery (except Electrical)</i> Allis-Chalmers Co. La Porte, Ind.	FE-UE, ind.	2,200 WE	8-23-54	\$0.04 per hr. av.	(1) Granted maternity leave of 18 mos.; must take 12 mos. (2) Upon request, aggrieved employees will be paid for time spent discussing grievance in first step—payment at day rate	Settlement result of contract expiration Length of contract—2 years Wage reopening 8-11-55
	None	n.a. S	7-1-54	Annual improvement factor ranging from \$6.92 to \$25 per mo.		
Baker Valve Co. Minneapolis, Minn.	IAM, AFL	11 WE	6-1-54	\$0.08 per hr. av.	(1) 3 wks. vacation after 15 yrs. service or more (2) All holidays paid after 6 mos. service	Settlement result of contract expiration Length of contract—1 year
Haughton Elevator Co. Toledo, Ohio	Auto Workers, AFL	138 WE	6-20-54	\$0.038 per hr. av.	None	Same as above
H. D. Hudson Manufacturing Co. Minneapolis, Minn.	IUE, CIO	27 WE	6-1-54	\$0.05 per hr. av.	None	Length of contract from 6-15-54 to 6-15-55
Kearney & Trecker Corp. West Allis, Wisc.	Employees Union, ind.	1,600 WE	7-2-54	\$0.03 per hr. av.	(1) Jury duty pay (2) Plus \$0.02 shift differential	Settlement result of contract expiration Length of contract to 7-2-57 Wage reopening at end of each year
Lynch Corp. Anderson, Ind.	UAW, CIO	145 WE	8-16-54	\$0.08 per hr. av.	Pension plan with normal retirement benefit of \$1.75 per mo. for each yr. of service in addition to Social Security	Settlement result of contract expiration Length of contract to 9-1-55
Marion, Ind.	UAW, CIO	82 WE	8-16-54	Same as above	Same as above	Same as above
Anderson, Ind.	Molders & Foundry Workers, AFL	60 WE	9-6-54 9-5-55	2% 2%	Same as above	Settlement result of wage reopening Length of contract to 9-6-57 Wage reopening 9-5-56
Ranshoff Inc. Hamilton, Ohio	Auto Workers, AFL	75 WE	8-7-54	\$0.03 per hr. av.	\$0.035 per hr. insurance	Settlement result of contract expiration Length of contract—2 years



# Wage Adjustments Announced Prior to September 15, 1954—Continued

Company	Union(s)	Number and Type of Employees Affected*	Effective Date	Amount of Adjustment	Fringe Benefits**	Remarks
St. Louis Screw & Bolt Co. St. Louis, Mo.	IAM, AFL	168 WE	6-24-54	4% or \$.06, whichever is greater amount	None	Settlement result of contract expiration Length of contract—1 year
	None	65 S	7-1-54	4%	None	None
Seeger Refrigerator Co. Evansville, Ind.	IUE, CIO	3,000 WE (approx.)	6-21-54	\$.04 per hr. av.	Seventh paid holiday; pay for time lost for jury duty	Settlement result of contract expiration Length of contract—1 year
	None	800 S (approx.)	6-21-54	2%—Minimum \$5 mo.	None	None
Simplex Packaging Machinery Inc. Oakland, Calif.	IAM, AFL	60 WE	6-3-54	\$.03 to production workers and specialists; \$.05 to journeymen machinists; \$.18 to tool & die makers; automatic 1% increase on 7-1-55	Two wks.' vacation after 2 instead of 3 yrs. (effective next year)	Settlement result of contract expiration Length of contract—2 years
A. P. Smith Manufacturing Co. E. Orange, N. J.	Steelworkers, CIO	219 WE	6-1-54	\$.05 per hr. av.	None	Settlement result of contract expiration Length of contract—2 years Wage reopening 5-31-55
Waterbury Farrel Foundry & Machine Co. Waterbury, Conn.	Steelworkers, CIO	600 WE	9-1-54	None	(1) 8 paid holidays (2) \$1,500 additional life insurance making \$5,000 maximum (active employees only) (3) Weekly sickness benefit of \$55 per wk.	Settlement result of contract expiration Length of contract—1 year
<i>Paper and Allied Products</i> American Box Board Co. Grand Rapids, Mich.	Paper Makers, AFL	225 WE	4-12-54	\$.05 per hr. av.; \$.01 of above increase in lieu of a seventh holiday	None	New Contract Length of contract—1 year
Brightwater Paper Co. Adams, Mass.	District 50, UMWA, ind.	200 WE	6-23-54	\$.03 up to \$1.35; \$.04 from \$1.35 to \$1.55; \$.05 from \$1.55 to top rate	None	Settlement result of wage reopening Length of contract—2 years
Dunn Paper Co. Port Huron, Mich.	Paperworkers, CIO	114 WE	5-31-54	\$.05 per hr. av.	None	Settlement result of wage reopening Length of contract—1 year Wage reopening 6 mos. after Dec. 1 on 45 days' notice
	None	16 S	6-7-54	\$2 (40 hr. wk.)	None	None
Hollingsworth & Vose Co. East Walpole, Mass.	Paperworkers, CIO	190 WE	7-1-54	\$.05 per hr. av.	(1) Renegotiated pension plan (2) Additional \$500 life insurance (3) Shift differentials \$.05 to \$.10 per hr.	Settlement result of contract expiration Length of contract—1 year Wage reopening once during term of agreement
West Groton, Mass.	Paperworkers, CIO	162 WE	7-1-54	3¼% (min. of \$.05 per hr.)	Shift differentials \$.05 to \$.10 per hr.	Settlement result of contract expiration Length of contract—1 year Wage reopening once during term of agreement
Hollingsworth & Whitney Co. Madison & Winslow, Me.	Pulp, Sulphite & Paper Mill Workers; Paper Makers; IBEW; IAM; Office Employees (all AFL)	1,800 WE (approx.)	6-1-54	\$.03 per hr. av.	(1) Daily benefit increased 82 (2) 2 paid holidays added (total of 6)	Settlement result of contract expiration Length of contract—1 year 80 day wage reopener at any time
Mobile, Ala.	Pulp, Sulphite Paper Mill Workers; Paper Makers; IBEW (all AFL)	1,250 WE	6-1-54	\$.07 per hr. av.	\$2 increase for dependents' daily hospital benefit	Settlement result of contract expiration Length of contract—1 year Wage reopening on 30 days' notice
International Paper Co. Camden, Ark. Bastrop, La.	Pulp, Sulphite & Paper Mill Workers, AFL	600 WE	7-1-54	\$.07 per hr. av.	Weekly sickness and non-occupational accident benefits increased from \$26 to \$28 maximum	Settlement result of annual negotiations Length of contract—1 year Wage reopening on 30 days' written notice
Kalamazoo Vegetable Parchment Co. Kalamazoo, Mich.	Paper Makers, AFL	n.a. WE	6-14-54	\$.03 per hr. av.	None	Settlement result of wage reopening Length of contract—2 years
Kieckhefer Container Co.	Paper, Sulphite, & Paper Mill Workers; Firemen and Oilers; Teamsters (all AFL)	850 WE	6-2-54	\$.05 per hr. across the board	None	Settlement result of contract expiration Length of contract—1 year

# Wage Adjustments Announced Prior to September 15, 1954—Continued

Company	Union(s)	Number and Type of Employees Affected*	Effective Date	Amount of Adjustment	Fringe Benefits**	Remarks
Kimberly-Clark Corp. Neenah, Wisc.	Paper Makers, AFL; Pulp, Sulphite & Paper Mill Workers, AFL	n.a. WE	6-1-54	3¼% with variations of \$0.05 to \$0.08	None	Same as above
	None	n.a. S	6-1-54	\$10 per mo. (nonexempt salaried employees)	None	None
National Container Co. Jaite, Ohio	Paperworkers, CIO	153 WE	6-1-54	\$0.03 per hr. av.	Leave of absence of not more than 3 days for death in immediate family	Settlement result of contract expiration Length of contract—1 year Wage reopening about 12-1-54, but prior to 5-1-55 for \$0.01 per hr. upward adjustment
Tomahawk, Wisc.	Paper Makers, AFL; Pulp, Sulphite & Paper Mill Workers, AFL	194 WE	6-6-54	Increases from \$0.05 to \$0.08 per hr. depending upon present hourly wage	Death benefits expanded	Settlement result of contract expiration Length of contract—1 year Wage reopening on 80 days' notice
Northwest Paper Co. Cloquet and Brainerd, Minn.	Paper Makers, Pulp, Sulphite & Paper Mill Workers, IAM; IBEW (all AFL)	1,600 WE	6-28-54	\$0.06 per hr. av.	Daily hospital insurance benefit increased from \$8.50 to \$10 per day	Settlement result of wage reopening Length of contract—2 years Wage reopening 6-15-55 or on 60 days' notice thereafter
Ohio Boxboard Co. Rittman, Ohio	Pulp, Sulphite & Paper Mill Workers, AFL	1,325 WE	6-1-54	\$0.04 per hr. av.	Company pays 75% of hospital premium	Settlement result of contract expiration Length of contract—2 years Wage reopening 6-1-54
	None	350 S		2¼%	None]	None]
Rhineland Paper Co. Rhineland, Wisc.	Paper Makers, AFL; Pulp, Sulphite & Paper Mill Workers, AFL	n.a. WE	6-1-54	3.2%	Maternity benefits for dependents; Health, accident & sickness insurance of \$30 per wk. for 26 wks.	Settlement result of contract expiration Length of contract—1 year Wage reopening once after 1-1-55
St. Regis Paper Co. Bucksport, Me.	Pulp, Sulphite & Paper Mill Workers, AFL	640 WE	5-9-54	3%	3 wks.' vacation after 3 yrs.	Settlement result of contract expiration Length of contract—1 year Wage reopening on 80 days' written notice
Deferiet, N. Y.	Paper Makers; Pulp, Sulphite & Paper Mill Workers; Firemen & Oilers; IAM (all AFL)	740 WE	5-1-54	\$0.07 per hr. av.	None	Settlement result of contract expiration Length of contract—2 years Wage reopening on 60 days' written notice
A. George Schultz Co. Milwaukee, Wisc.	Pulp, Sulphite & Paper Mill Workers, AFL	380 WE	6-21-54	3%	None	Settlement result of wage reopening Length of contract—1 year
Strathmore Paper Co. West Springfield, Woronoco, Mass.	Paper Makers, AFL	550 WE	7-1-54	3.2%	None	Settlement result of contract expiration Length of contract—1 year
	None	200 S	6-7-54	3.9%	None	None
Thilmany Pulp & Paper Co. Kaukauna, Wisc.	Paper Makers, AFL; Pulp, Sulphite & Paper Mill Workers, AFL	1,165 WE	8-1-54	3%	3 days' funeral leave	Settlement result of contract renewal Length of contract—1 year Wage reopening once after 2-1-55
Wausau Paper Mills Co. Brokaw, Wisc.	Paper Makers, AFL; Pulp, Sulphite & Paper Mill Workers, AFL	455 WE	6-1-54	4%	None	Settlement result of contract expiration Length of contract—1 year Wage reopening on 80 days' notice
	None	85 S	6-1-54	4%	None	None
West Virginia Pulp & Paper Corp. Charleston, S. C.	Paper Makers, AFL; Pulp, Sulphite & Paper Mill Workers, AFL	1,000 WE	7-1-54	\$0.07 per hr. av.	Time and one half for hours worked on 6 instead of 4 holidays	Settlement result of contract expiration Length of contract—1 year Wage reopening on 80 days' notice
Products of Petroleum and Coal Pan American Refining Corp. Texas City, Texas	Oil Workers, CIO	1,705 WE	7-2-54 (date of settlement)	None	2 days sick leave waiting period	Settlement result of contract expiration Length of contract—2 years Wage reopening once between 7-1-54 and 7-1-55, and once between 7-1-55 and 7-1-56



# Wage Adjustments Announced Prior to September 15, 1954—Continued

Company	Union(s)	Number and Type of Employees Affected*	Effective Date	Amount of Adjustment	Fringe Benefits**	Remarks
Pennzoil Co. Rouseville, Pa.	Oil Workers, CIO	414 WE	8-6-54	None	(1) Increased hospitalization (2) Funeral allowance (3) Jury service pay	Settlement result of contract expiration Length of contract—1 year Wage reopening on 2-1-55 if wage controls imposed
	None	430 S	9-1-54	None	Increased hospitalization	
Allied Chemical & Dye Corp. Tonawanda, N. Y. Semet-Solvay Div.	District 50, UMWA, ind.	900 WE (approx.)	7-18-54	\$.06 per hr. av. on 7-18-54; additional \$.05 on 7-18-55	(1) 3 days' funeral pay (2) Increased disability benefits	Settlement result of contract expiration Length of contract—2 years
<i>Primary Metals</i>						
Aluminum Company of America Interstate	Steelworkers, CIO	15,000 WE	8-1-54	\$.05 per hr. av.	(1) Pension increased from \$100 per mo. after 25 yrs. to \$140 per mo. after 30 yrs.; Social Security offset to be fixed at \$85 (2) Sickness and accident benefits increased from \$30 to \$40 for 26 wks.; life insurance increased from \$2,000 to \$3,500 (3) Hospitalization increased from \$10 per day for 30 days to \$13 per day for 120 days. Special services from \$100 to \$130	Settlement result of contract expiration Length of contract—2 years Wage reopening 8-1-55
Interstate	Aluminum Workers, AFL	10,000 WE	8-1-54	\$.05 per hr. av.	Same as above	Settlement result of contract expiration Length of contract—3 years Wage reopening depends on conditions under reopening provisions of wage agreements
Bethlehem Steel Co. Interstate	Steelworkers, CIO	79,200 WE	7-1-54 for wage increase; 11-1-54 for insurance & pensions	\$.05 per hr. av.	Insurance and pension benefits same as other Big-Steel companies	Settlement result of contract expiration Length of contract to 6-30-56 Insurance to 10-31-56 Pensions to 10-31-57 Wage reopening on 6-30-55
Crown Iron Works Co. Minneapolis, Minn.	UE, ind.	110 WE	6-1-54	\$.05 per hr. av.	Increase in Blue Cross from \$9 per day to semi-private plan, plus unlimited diagnostic X rays	Settlement result of contract expiration Length of contract—1 year
	None	53 S	7-12-54	\$.05 per hr. av.	Same as above	None
Detroit Steel Corp. Portsmouth, Ohio Detroit, Mich. New Haven, Conn.	Steelworkers, CIO	4,500 WE	7-1-54	\$.05 per hr. av.	New insurance & pension agreements patterned after U. S. Steel Corp. settlement	Settlement result of contract expiration Length of contract—2 years Wage reopening on 7-30-55
	Same as above	225 S (Portsmouth plant only)	7-1-54	\$4 biweekly	Same as above	Same as above
General Malleable Corp. Waukesha, Wisc.	Steelworkers, CIO	All WE in company	8-1-54	\$.05 per hr. av.	Additional group insurance costs of \$.034	Settlement result of wage reopening Length of contract—1 year
Granite City Steel Co. Granite City, Ill.	Steelworkers, CIO	n.a. WE	n.a.	\$.05 per hr. across the board	(1) Pension increased to a minimum of \$140 for 30 yrs. (2) Insurance plan increased. Company contribution to group insurance plan from \$.025 to \$.045. Employee contribution also increased	Settlement result of wage reopening Length of contract—2 years
	Chemical Workers, AFL	n.a. WE	8-1-54	Same as above	(1) Pension \$140 per mo. for 30 yrs. (2) Union gave up pay for jury duty and part of overtime paid lunches	Settlement result of wage reopening Length of contract to 7-31-56 Wage reopening on 7-31-55
	Hod Carriers & Laborers, AFL	n.a. WE	9-1-54	\$.025 per hr. av.	Same as above	Length of contract—2 years Wage reopening on 6-30-55
	Boiler Makers & Iron Ship Builders AFL	n.a. WE	9-1-54	Same as above	Same as above	Same as above

# Wage Adjustments Announced Prior to September 15, 1954—Continued

Company	Union(s)	Number and Type of Employees Affected*	Effective Date	Amount of Adjustment	Fringe Benefits**	Remarks
Kaiser Steel Corp. Fontana, Calif.	Steelworkers, CIO	5,600 WE	7-1-54	\$0.05 per hr. av.	Pension and insurance benefits and other contract clauses are currently under negotiation	
Owensboro Foundry Owensboro, Ky.	UAW, AFL	42 WE	6-20-54 7-22-54	1% per hr. 2% per hr.	None	Settlement result of contract expiration Length of contract—1 year
Pyron Corporation Niagara Falls, N. Y.	District 50, UMW, ind.	21 WE	7-16-54	\$0.06 per hr. av.	Hospital benefit (room) increased from \$12.50 to \$13.50 per day	Same as above
Wagner Malleable Iron Co. Decatur, Ill.	UAW, AFL	475 WE	6-7-54	\$0.05 per hr. av.	(1) Pieceworkers' pay for holiday not worked based on previous weeks earnings (2) Pay for holiday if failure to return to work day after is due to death in immediate family (3) Double time and one half hourly rate for holiday worked (4) 7 cents for second shift workers	Settlement result of contract expiration Length of contract—2 years Wage reopening on 6-55
<i>Printing, Publishing and Allied Industries</i>						
Autographic Business Forms, Inc. So. Hackensack, N. J.	Typographical Union, AFL	16 WE	5-31-54	\$3.75 per wk. av.	None	Settlement result of contract expiration Contract expires 6-30-55
The Minneapolis Star Minneapolis, Minn.	Mailers Union, ind.	130 WE (approx.)	6-14-54 (date of settlement; retroactive to 1-1-54)	\$0.10 per hr. av.	None	Settlement result of contract expiration Contract runs to 12-31-55
The Minneapolis Tribune Minneapolis, Minn.	Mailers Union, ind.	Included in above number	Same as above	Same as above	None	Same as above
<i>Professional, Scientific and Controlling Instruments</i>						
Minneapolis-Honeywell Regulator Co. Philadelphia, Pa.	IUE, CIO	1,622 WE	6-8-54	\$0.05 per hr. across the board	(1) Half-day holidays before Christmas and New Year's Day (2) Installation of Blue Cross - Blue Shield hospitalization	Settlement result of contract expiration Length of contract—1 year
Brown Instrument Co. Division	None	1,413 S	6-8-54	None	Same as above; hospitalization plan in place of Travelers	
Permacel Tape Corp. Pleasantville, N. J. (subsidiary of Johnson & Johnson)	Textile Workers, CIO	87 WE	7-15-54	\$0.07 per hr. av.	None	Settlement result of contract expiration Length of contract—1 year
New Brunswick, N. J.	Same as above	430 WE	6-15-54	\$0.05 per hr. av.	None	Same as above
<i>Public Utilities</i>						
Central Maine Power Co. Augusta, Me.	IBEW, AFL	1,325 WE	5-2-54 (date of settlement 7-9-54)	3%	None	Settlement result of wage reopening Length of contract—1 year Wage reopening on 5-1-55
	None	219 S	6-1-54	3%	None	
Indianapolis Water Co. Indianapolis, Ind.	Firemen and Oilers, AFL	291 WE	7-1-54	\$0.065 per hr. av.; additional \$0.01 per hr. on 7-1-55	None	Settlement result of wage reopening Length of contract—18 mos. Wage reopening on 1-1-56
	None	56 S	7-1-54	\$0.15 per mo. av.	None	
Kansas City Power & Light Co. Kansas City, Mo., and contiguous areas in Kansas and Missouri	IBEW, AFL	1,374 WE 606 S	7-1-54	\$0.0835 per hr. av.	Increased maximum sick leave accumulation from 135 days to 160 days with payment after 35 days at half pay if accumulated sick leave privileges available	Settlement result of contract expiration Length of contract—2 years Wage reopening on 7-1-55
Michigan Consolidated Gas Co. Detroit and Ann Arbor, Mich.	Federal Labor Union, AFL	2,115 WE 299 S	7-11-54	6½% increase granted to compensate for change from 42 to 40 hr. wk.	None	Length of contract—3 years Both parties have right to request 2 reopenings during 3 yr. period upon 60 days notice



# Wage Adjustments Announced Prior to September 15, 1954—Continued

Company	Union(s)	Number and Type of Employees Affected*	Effective Date	Amount of Adjustment	Fringe Benefits**	Remarks
Ohio Edison Co. Akron, Ohio	Utility Workers, CIO	2,127 WE	7-10-54	\$0.04 per hr. av. (3.3%); variations from \$0.04 to \$0.08 per hr.	(1) Shift differential increased from 0-05-.07 to 0-08-.09 (2) Granted 70 day Blue Cross comprehensive hospitalization and Blue Shield coverage in place of standard coverage for employee (3) Contributory insurance increased by \$500 (4) Washington's Birthday added as holiday; Presidential Election Day discontinued as holiday	Settlement result of contract expiration Length of contract—2 years Wage reopening on 7-1-55
	None	2,400 S	7-1-54	3.3%	Same as above	
The Ohio Power Co. 55 counties in Ohio	Utility Workers, CIO; IBEW, AFL; Electric Service Union, ind.	1,432 WE	6-1-54 and 7-1-54	3%	None	Settlement result of wage reopening Length of contract—1 year Wage reopenings on 6-1-55 and 7-1-55
Public Service Electric & Gas Co. 17 N. J. cities	Plumbers, AFL	1,744 WE	7-1-54	3%	(1) Increased shift premium for second and third shifts from \$.09 to \$.10 per hr. (2) Pension plan amended to include survivorship option on actuarial basis	Settlement result of contract expiration Length of contract—1 year
Southern California Gas Co. Los Angeles, Calif.	Utility Workers, CIO	3,666 S	4-1-54	Approx. 3% (correction—Aug. issue reported 5%)	(1) 1 wk.'s vacation added after 25 yrs.' service (2) Swingshift premium changed from \$.05 to \$.06; graveyard shift premium from \$.08 to \$.09	Settlement result of contract expiration Length of contract—1 year
Washington Gas-Light Co. Washington, D. C.	Chemical Workers, AFL	1,800 WE	6-1-54	3% with minimum of \$.05 per hr.; upgrading of some job classifications to correct inequities	Liberalization of sick plan	Settlement result of contract expiration Length of contract—1 year
	Office Employees, AFL	500 S	6-1-54	3% with minimum of \$9 per mo.	Same as above	Same as above
West Penn Power Co. Western Pa.	Utility Workers, CIO	1,639 WE	5-1-54 for wage increase; 7-1-54 for fringe benefits	\$0.06 per hr.	(1) Existing holidays guaranteed (2) Modification of group insurance plan (3) Shift differential and pay for time worked on a holiday	Settlement result of contract expiration Length of contract—2 years Wage reopening on 5-1-55
	None	1,212 S	5-1-54	3% to nearest \$1 with minimum of \$9 per mo.	None	
United Parcel Delivery Service Oakland, Berkeley, Richmond, Alameda, Piedmont, San Leandro, and Hayward, Calif.	Teamsters, AFL	89 WE	6-9-54	\$0.50 per day av.	None	Settlement result of contract expiration Length of contract—1 year Wage reopening on 6-9-55
Alpha Portland Cement Co. Ironton, Ohio	Cement, Lime & Gypsum Workers, AFL	185 S	7-1-54	No increase	Holiday pay increased from double time to double time and one half	Settlement result of contract expiration Length of contract—1 year
American Rock Wool Co. Birmingham, Ala.	Chemical Workers, AFL	53 WE	5-31-54	\$0.067 per hr. av.	Shift differential increased from \$.04 to \$.05 for afternoon shift; and from \$.06 to \$.10 for night shift	Settlement result of contract expiration Length of contract—2 years Wage reopening once by either party during each 12 mos.
Gladning McBean & Co. Los Angeles, Calif.	Brick & Clay Workers, AFL	1,500 WE	5-3-54	\$0.03 per hr. av.; plus inequity adjustments	(1) Company-paid pension plan (2) Seventh paid holiday (when it falls in work-week only) (3) 3 wks.' vacation after 15 yrs. (4) Shift differential increased from \$.05 and \$.10 to \$.08 and \$.13	Settlement result of contract expiration Length of contract—3 years Wage reopening on 4-16-55

# Wage Adjustments Announced Prior to September 15, 1954—Continued

Company	Union(s)	Number and Type of Employees Affected*	Effective Date	Amount of Adjustment	Fringe Benefits**	Remarks
Johns Manville Products Corp. Jarratt and Richmond, Va.	IBEW; Pulp, Sulphite & Paper Mill Workers; Firemen and Oilers, IAM; (all AFL)	401 WE	5-31-54	3%	No change	Settlement result of contract expiration Length of contract—1 year
Kearney & Mattison Co. Ambler, Pa.	Textile Workers, AFL	800 WE	7-22-54	\$0.04 per hr. av. for piece workers; \$0.06 per hr. av. for time workers	None	Settlement result of contract expiration Length of contract—3 years Wage reopenings on 7-22-54 and 7-22-55
Lehigh Portland Cement Co. Fordwick, Va.	Cement, Lime & Gypsum Workers, AFL	235 WE	7-2-54	\$0.05 per hr. av.	Holiday pay increased from double time to double time and one half	Settlement result of contract expiration Contract runs to 5-1-55
Lone Star Cement Co. Birmingham, Ala.	Cement, Lime & Gypsum Workers, AFL	202 WE	7-1-54	\$0.05 per hr. av.	Holiday pay for 6 holidays increased from double time to double time and one half	Settlement result of contract expiration Length of contract—1 year
National Grinding Wheel Co. North Tonawanda, N. Y.	District 50, UMWA, ind.	265 WE	7-10-54	\$0.05 per hr. increase plus \$0.10 per hr. guaranteed bonus	Vacation year now starts on October 1 instead of May 30	Settlement result of contract expiration Length of contract—2 years Wage reopening once after 7-10-55
National Gypsum Co. Ft. Dodge, Iowa	Cement, Lime & Gypsum Workers, AFL	228 WE	6-16-54	\$0.045 per hr. plant-wide increase	Shift differential increased from \$0.04 and \$0.06 per hr. to \$0.08 and \$0.09 per hr.	Settlement result of contract expiration Length of contract—1 year
Pabco Products Inc. Emeryville, Calif.	Pulp, Sulphite & Paper Mill Workers, AFL	266 WE	6-1-54	\$0.05 per hr. av.	3 weeks' vacation after 15 yrs.' service	Settlement result of wage reopening Length of contract—3 years Wage reopening 60 days prior to 6-1-55
Penn-Dixie Cement Corp. Cinchfield, Ga.	Cement, Lime & Gypsum Workers, AFL	157 WE	5-1-54	\$0.05 per hr. general increase	Holiday pay increased from double time to double time and one half	Settlement result of contract expiration Length of contract—1 year
Kingsport, Tenn.	Same as above	204 WE	5-1-54	Same as above	Same as above	Same as above
Nazareth and Bath, Pa.	Same as above	624 WE	7-3-54	Same as above	Same as above	Contract expires 4-1-55
Richard City, Tenn.	Same as above	158 WE	5-1-54	Same as above	Same as above	Settlement result of contract expiration Length of contract—1 year
West Des Moines, Iowa	Same as above	156 WE	Same as above	Same as above	Same as above	Same as above
West Winfield, Pa.	Steelworkers, CIO	280 WE	7-1-55	Same as above	Same as above	Settlement result of contract expiration Length of contract—1 year
	Teamsters, AFL	30 WE	Same as above	Same as above	Same as above	Same as above
Spokane Portland Cement Co. Irvin and Northport, Wash.	Cement, Lime & Gypsum Workers, AFL	100 WE	7-1-54	\$0.05 per hr. av.	Payment of \$2.65 per man per mo. toward each individual's medical and hospital insurance costs	Settlement result of contract expiration Length of contract—1 year
Universal Atlas Cement Co. Hudson, N. Y.	Cement, Lime & Gypsum Workers, AFL	220 WE	7-3-54	\$0.05 per hr. av.	Holiday pay increased from double time to double time and one half	Settlement result of contract expiration Contract runs to 4-30-55
Northampton, Pa.	Same as above	306 WE	7-3-54	Same as above	Same as above	Settlement result of contract expiration Contract runs to 3-31-55
Hannibal, Mo.	Same as above	395 WE	5-27-54	Same as above	Same as above	Same as above; contract runs to 5-15-55
Independence, Kan.	Same as above	256 WE	5-28-54	Same as above	Same as above	Same as above
Leeds, Ala.	Same as above	151 WE	5-27-54	Same as above	Same as above	Same as above; contract runs to 4-15-55
Waco, Tex.	Same as above	153 WE	6-3-54	Same as above	Same as above	Same as above; contract runs to 5-15-55
Buffington, Ind.	Steelworkers, CIO	982 WE	7-1-54	Same as above	Liberalized insurance and pension program, effective 11-1-54	Settlement result of contract expiration Length of contract—2 years Wage reopening on 6-30-55
	Same as above	61 S	7-1-54	\$2 per wk.	None	Same as above
Duluth, Minn.	Same as above	230 WE	7-1-54	\$0.05 per hr. av.	Liberalized insurance and pension program, effective 11-1-54	Same as above
Universal, Pa.	Same as above	296 WE	7-1-54	Same as above	Same as above	Same as above



# Wage Adjustments Announced Prior to September 15, 1954—Continued

Company	Union(s)	Number and Type of Employees Affected*	Effective Date	Amount of Adjustment	Fringe Benefits**	Remarks
<i>Textile Mill Products</i>						
Armstrong Cork Co. Lancaster, Pa.	Rubber Workers, CIO	3,200 WE (approx.)	8-9-54	\$.05 per hr. av.	3 days' paid leave of absence for death in the family	Settlement result of wage reopening Contract runs to 11-1-55
Linen Thread Co. Paterson, N. J.	Textile Workers, AFL	475 WE	8-1-54	None	Pension plan \$100 per mo. less Social Security	Settlement result of contract expiration Length of contract—2 years Wage reopening on 8-1-55
Plymouth Cordage Co. Plymouth, Mass.	Textile Workers, CIO	634 WE	6-8-54	No per cent change in payroll; night shift premium, formerly 7%, reduced to \$.05 per hr. on second shift and \$.07 per hr. on third shift for hours actually worked; saving resulting from this change was spread over entire wage payroll by adding 1.2 cents per hr. to earnings	None	Settlement result of contract expiration Length of contract—1 year Wage reopening any time on 30 days' notice by either party
<i>Transportation</i>						
Eastern, Western and Southeastern Carriers' Conference Committee (representing employers) Interstate	Locomotive Engineers, ind.	n.a. WE	Wage increase retroactive to 12-16-53; vacation changes effective 1-1-54; arbitration award made 8-17-54	\$.40 per day increase; cost of living clause eliminated and \$.13 per hr. existing cost of living bonus frozen into base rates	(1) 3 wks.' vacation after 15 yrs. (2) Payment of vacation allowance to widow of employee who dies before receiving vacation	Settlement result of arbitration award
Interstate	Railroad Yardmasters, ind.	n.a.	Wage increases retroactive to 12-16-53; vacation provisions effective 1-1-54; mediation award made 9-12-54	\$.10 per mo. increase across the board; escalator clause eliminated and existing cost of living bonus frozen into base rates	(1) 3 wks.' vacation after 15 yrs. (2) 2 regular rest days each wk. designated by company	Settlement result of mediation award
New York City Transit Authority Brooklyn, N. Y.	Transport Workers, CIO; Street, Electric Railway & Motor Coach Employees, AFL	33,000 WE	Wage increase retroactive to 1-1-54; all other clauses effective 7-1-54	\$.088 per hr. av.; variations from \$.065 to \$.11 per hr.	None	Settlement result of expiration of earlier memorandum of understanding Agreement runs until 6-30-56, except that Transit Authority has right to cancel and terminate at any time upon written notice to unions Wage reopening 30 days prior to 5-15-55
Pacific Intermountain Express Oakland, Calif.	Office Employees, AFL	33 WE	8-1-54	\$.07 per hr. av.	None	Settlement result of midterm wage reopening Length of contract—2 years Wage reopening 8-1-55
<i>Transportation Equipment</i>						
Boeing Airplane Co. Seattle, Wash.	IAM, AFL	22,544 WE	6-22-54	\$.05 per hr. av. with variations from \$.04 to \$.065 per hr.	None	Settlement result of contract expiration Length of contract—1 year
Wichita, Kansas	IAM, AFL	18,100 WE	7-23-54	\$.049 per hr. av.; variations from \$.04 to \$.065 per hr.	None	Settlement result of contract expiration Length of contract—1 year No wage reopening date established; each party limited to one request for wage reopening upon 60 days' notice
	None	6,500 S	7-23-54	2.75% increase	None	
Durkee-Atwood Co. Minneapolis, Minn.	UAW, CIO	350 WE	7-2-54 (date of settlement)	None	None	Contract renewed with no changes Contract runs to 4-1-55 Wage reopening once during year
Freuhauf Trailer Co. Omaha, Nebraska	Auto Workers, AFL	49 WE	8-12-54 2-12-55	\$.05 per hr. av. \$.05 per hr. av.	None	Settlement result of wage reopening Contract expires 8-11-55 No wage reopening provision
	Same as above	20 WE	6-10-54 12-6-54	\$.05 per hr. av. \$.05 per hr. av.	None	Settlement result of contract expiration Contract expires 6-9-56 Wage reopening on 8-8-55

## Wage Adjustments Announced Prior to September 15, 1954—Continued

Company	Union(s)	Number and Type of Employees Affected*	Effective Date	Amount of Adjustment	Fringe Benefits**	Remarks
Phoenix, Ariz.	IAM, AFL	24 WE	6-29-54	\$0.05 per hr. av.	None	Settlement result of contract expiration Contract expires 6-29-56 Wage reopening on 6-29-55
Lockheed Aircraft Corp. Jamaica, N. Y.	IAM, AFL	558 WE	6-28-54 9-27-54	\$0.03 per hr. av. \$0.02 per hr. av.	(1) 3 wks.' vacation after 15 yrs.' service (2) Choice of yearly payment of unused sick leave, or accrual of same (3) Washington's Birthday as extra paid holiday (total 7) (4) Increase in group insurance dependent coverage (5) Increase flight pay and flight insurance coverage (6) Increase leadman bonus from \$1.15 to \$2.20 per hr.	Settlement result of contract expiration Length of contract—1 year Wage reopening on 6-26-55
	IAM, AFL	88 S	8-2-54	3%	Same as above	
Menasco Manufacturing Co. Burbank, Calif.	IAM, AFL	1,200 WE	7-1-54	\$0.08 per hr. av.	None	Settlement result of contract expiration Length of contract—2 years Wage reopening after 1 year
Pullman Standard Car Manufacturing Co. Chicago, Ill.	Steelworkers, CIO	5,000 WE	9-1-54 (insurance provision effective 10-1-54)	\$0.05 per hr. av.	Additional \$0.02 contribution each by employee and company for insurance	Settlement result of contract expiration Length of contract—2 years Wage reopening on 9-1-55
<i>Wholesale and Retail Establishments</i>						
Gimbel Bros. New York, N. Y.	Retail, Wholesale & Department Store Workers, CIO	2,500 WE	3-1-54	\$0.05 per hr. av.	Pension fund contribution of 2% of payroll to begin 3-1-55; pension plan to be jointly administered and to begin 1958	Settlement result of wage reopening Wage reopenings: 3-1-55, 3-1-56, 3-1-57
San Francisco Retailers Council San Francisco, Calif.	Clothing Workers, CIO	200 WE	7-1-54	\$0.075 per hr. av.	None	Settlement result of wage reopening Length of contract—3 years Wage reopenings 7-1-55, 7-1-56
<i>Miscellaneous Nonmanufacturing Industries</i>						
Hotel Association of New York City New York, N. Y.	N. Y. Hotel Trades Council	n.a. WE	Retroactive to 6-1-54; commission award 8-2-54	5% (approx.)	Contributions to insurance and pension paid from first day of employment; computation to include vacation and holiday payments	
Montague Rod & Reel Co. Montague City, Mass.	IUE, CIO	200 WE	7-1-54 (date of settlement)	None	None	Contract renewed for 1½ year with no changes

\* WE, wage earner; S salaried personnel; n.a. Not available; \*\* Fringe benefits include all benefits supplemental to wages received by workers at a cost to employers



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## In the July Business Record

**Superior Product Service Builds Sales**—New emphasis is being put on product service as a competitive weapon by most of the 162 manufacturing companies participating in this survey of business practices. Free replacement or repair of defective products is a service extended by virtually all these firms, and many other forms of free and paid postsale services are often offered. This article describes the methods used by surveyed companies to insure optimum service satisfaction from their products without adversely affecting profits.

**Consumers and Construction**—These are the main components holding gross national product on a stable, high level in the second quarter of 1954. While there have been declines in defense activity and inventory demand, as of mid-June, more indicative statistical series are rising than are falling. This article gives the second-quarter picture of business trends, and some of their implications for the near future.

**Stocks in the Current Bull Market**—Not all of them have been gaining. In fact, some have been going down. The industrials lead in the rise, but even in this group, some are lower. It appears to be a selective market, with the selections cutting across most of the conventional stock groupings. Electrical equipment manufacturers are at the top of the list, and rayon producers at the bottom. The chart feature in this month's *Business Record* pictures what has been happening on the "Big Board" since September, 1953.

**A New Look at New York**—The Conference Board has undertaken to assemble the most recent data on the economic status of the New York metropolitan area. In this first of a series of articles, the problems involved in defining the New York area are discussed, and its growth in population since 1900 is observed.

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**It's Important to be properly introduced!** Emily Post has set down the rules for social introductions. And although some people feel she's rather on the formal side, nobody, on the other hand, likes to be plunked in the middle of a new group of people without any introduction.

Many companies recognize that more or less the same thing holds true for their new employees. Starting them off with the proper introduction to the company can make an awful lot of difference. An induction program that provides the new employee with needed information about the company, that answers his questions, and makes him feel at ease in his new surroundings can be beneficial to management as well as to the individual worker. Favorable attitudes toward the company and supervision are often quickly established; turnover is reduced; and grievances are minimized.

The Board's report "Employee Induction" examines what a good induction program can accomplish, and the various methods used to achieve the desired goals. Also the induction programs of six companies are given in detail to aid the company that wants to set up such a program or improve its present plan. If you don't find this report in your files, write the Board for an extra copy.

**EMPLOYEE INDUCTION** STUDIES IN PERSONNEL POLICY, NO. 131